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BEFORE THE

ARIZONA CORPORATION COMMISSION

COMMISSIONERS:

KRISTEN K. MAYES - Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

AZ CORP COMMISSION
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IN THE MATTER OF QWEST CORPORATION'S
PETITION FOR ARBITRATION AND APPROVAL
OF INTERCONNECTION AGREEMENT WITH
NORTH COUNTY COMMUNICATIONS
CORPORATION OF ARIZONA PURSUANT TO
SECTION 252(B) OF THE COMMUNICATIONS
ACT OF 1934 AS AMENDED BY THE
TELECOMMUNICATIONS ACT OF 1996 AND
APPLICABLE STATE LAWS.

DOCKET NO. T-01051B-09-0383
DOCKET NO. T-03335A-09-0383

NOTICE OF FILING REPLY
TESTIMONY OF TODD LESSER

Pursuant to the Procedural and revised Procedural Orders in the above-captioned matter,
North County Communications Corporation hereby files the attached reply testimony of Todd
Lesser, in preparation for the Arbitration set in this matter for March 15, 2011.

RESPECTFULLY SUBMITTED this 11th day of February, 2011.

LANG BAKER & KLAIN, PLC

Arizona Corporation Commission

DOCKETED

FEB 11 2011

DOCKETED BY

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DOCKET NOS. T-01051B-09-0383
AND T-03335A-09-0383

1 **ORIGINAL** and 13 copies of the foregoing filed this 11th day of February, 2011, with:

2 Docket Control
3 Arizona Corporation Commission
4 1200 West Washington Street
5 Phoenix, AZ 85007

6 **COPY** of the foregoing **hand-delivered** this same day to:

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REPLY TESTIMONY OF TODD LESSER

FEBRUARY 11, 2011

REPLY TESTIMONY OF TODD LESSER

Q: Please state your name and business address.

A: My name is Todd Lesser. My business address is 3802 Rosecrans Street, No. 485, San Diego, California 92110. My telephone number is (619) 364-4750.

Q: Have you read the testimony of Qwest's Philip Linse and Renee Albersheim?

A: Yes.

Q. Do you believe Mr. Linse is qualified to answer questions about the Central Office Capabilities of Qwest?

A. No. As Mr. Linse testified in a recent arbitration hearing before the Washington Utilities and Transportation Commission ("WUTC"), he has never actually programmed or installed a live central office. His only experience is in training programs provided by Qwest. He has no actual real world, firsthand programming experience.

Q: When you were negotiating with Qwest, did you feel that Qwest was providing the correct technical responses to your inquiries?

A: No. It was clear from my conversations with Qwest on the conference calls, that they have a limited understanding of the capabilities of their central office switches and/or trunk monitoring equipment.

Q. What incorrect information did Qwest provide?

A: For instance, Qwest said they could only take PEG counts and could not keep track of actual calls and minutes sent to our trunk groups.

Q: Is Mr. Linse correct that Qwest can only monitor PEG counts and total usage?

A: Absolutely not. Let me explain. A PEG counter is a simplistic way to just count calls and call totals. Mr. Linse does not disclose that all Central Offices ("COs") on the Qwest

1 network follow the Telecordia Document LATA Switching System Generic Requirements
2 ("LSSGR"). One LSSGR requirement is that the switch has a Call Detail Recording
3 ("CDR"). In other words, every outbound and inbound call that is made or received is
4 electronically recorded with all the call details.
5

6 **Q. Is this a new requirement?**

7 A. No. This has been around since the first electronic switches in the early 1960s. There is
8 no reason why they cannot perform this required function on local interconnection trunks.
9

10 **Q. Can Qwest provide ANI on MF trunk groups?**

11 A. Yes. This is a simple Class of Service option on the trunk group. Qwest gives us ANI on
12 our MF long distance trunks, and other ILECs have given us ANI on our MF local
13 interconnection trunks. In fact, I just turned up a trunk group this week with another
14 carrier that gave us ANI over MF for local traffic.
15

16 **Q. Qwest has stated that the ICA defines ANI as a Feature Group D long distance trunk**
17 **so Qwest is not "required" to provide ANI to you for your local trunks. What are**
18 **your thoughts on this?**

19 A. First, ANI stands for "Automatic Number Identification." The definition was not that well
20 worded in the agreement, but this is an industry standard term. The definition simply said
21 ANI is *used* in Feature Group D signaling. It never said ANI is exclusive to Feature Group
22 D signaling or that ANI cannot be provided in other signaling formats. For example, you
23 can get ANI on ISDN, and ISDN is not Feature Group D format. Under the existing
24 agreement, Qwest delivers ANI if a carrier has SS7. The way they attempt to define it
25 now would mean that you should not get ANI over SS7 local interconnection trunks – you
26 should only get ANI over SS7 Feature Group D long distance trunks.
27
28

1 **Q. Does this definition dispute trouble you?**

2 A. Absolutely. This is why the Commission shouldn't allow Qwest simply to discard
3 existing agreement. Even if the Commission agrees with Qwest – i.e., that certain things
4 should be added – they should be added to our *existing* agreement. Qwest is unwilling to
5 state all the material changes to the agreement or discuss how they will interpret it
6 different versus the existing agreement. I lost in a dispute proceeding with Verizon in
7 Oregon over this exact issue. I felt the language in our agreement was as clear as day:
8 Verizon was required to pay for all traffic – including ISP traffic. The judge ruled that
9 Verizon felt it should never have to pay for ISP traffic. Under Oregon law, you are
10 required to have a meeting of the minds for there to be a contract. Since there was no
11 meeting of the minds, we had no contract and the judge ruled they didn't have to pay. I
12 can't guess by reading Qwest's new agreement how they interpret every provision.
13 Although, I know how they have interpreted our existing agreement for 13 years. The
14 Commission cannot change Arizona law and they do not arbitrate the contract disputes.

15
16 **Q. Is Mr. Linse correct that SS7 is more reliable than MF?**

17 A. Absolutely not. He obviously is not aware of the some of the well-publicized SS7
18 outages across the country. For example, on June 26, 1991, over six million Bell Atlantic
19 lines were cut off for seven hours in Washington, DC, Maryland, Virginia and West
20 Virginia. Pacific Bell had an outage of three and a half million lines on the same day for a
21 few hours. This was all caused by one SS7 problem in Baltimore, Maryland, where a bad
22 circuit board disabled the whole network. SS7 has single points of failure. If your SS7
23 links or your STP fails, your entire network goes down. With MF signaling, each call
24 receives the call routing direction on that specific trunk. If you have a problem, then only
25 one trunk or T1 goes down, not your whole network. In fact, many carriers around the
26 country use MF signaling for 911 trunks even when the rest of their network is SS7. MF
27 signaling is that much more reliable than SS7 signaling.

1 **Q. In thirteen years, has North County ever had an MF trunk outage with Qwest?**

2 A. No.

3
4 **Q. Do MF circuits and equipment require more maintenance, as Mr. Linse describes?**

5 A. What Mr. Linse fails to disclose is that when you dial a telephone number at your house,
6 the touch tones are in-band signaling. The interoffice MF trunks are just a different set of
7 tones. In the 60s, the industry used transistorized MF transmitters and receivers. Today,
8 we use DSPs (Digital Single Processors.). DSPs don't have problems. In fifteen years,
9 we have never had a DSP card go bad.

10
11 **Q. Does MF limit the number of carriers or the size of the recording capability in**
12 **comparison to SS7?**

13 A. No. This makes no sense whatsoever. Whether the call set up is sent by in-band or out-
14 of-band signaling with SS7, you still need to record it. In fact, SS7 has many more
15 parameters to record.

16
17 **Q. Is SS7 recording more accurate?**

18 A. No. In fact, in one jurisdiction we proved that the SS7 recordings were incorrect by
19 swapping call detail recording from our central office switch. The SS7 recordings weren't
20 recording all the calls because the instructions the monitor was given were not correct.
21 CDRs from MF trunks are so simple that you don't encounter problems like that.

22
23 **Q: Qwest came up with a system to bill for calls using SS7 monitoring. Is this the**
24 **industry standard, and will it work better than the way NCC is calculating billing?**

25 A. Absolutely not. As pointed out in a WUTC report, WECA Docket 02-01, Report on
26 Phantom Traffic, September 27, 2005 (Page 11), "Verizon also notes that SS7 signaling is
27 intended primarily for routing, not billing, and therefore does not contain all the
28

1 information necessary for billing the carriers responsible for traffic that transit Verizon
2 tandem switches.” See attached Exhibit 1.

3
4 **Q: Why is this important?**

5 A: This demonstrates Mr. Linse’s limited switching knowledge. He sometimes talks theories
6 that are not real world, and other times he only knows the world as it is only according to
7 Qwest. Of course, he isn’t going to be taught to do something Qwest doesn’t currently do.
8 The courses he took are specifically tailored to what Qwest is doing, not to what the
9 switch is capable of doing. To further quote the WECA report on page 6: “ In theory, the
10 use of the CIC is available for identifying the carrier responsible for terminating charges.
11 However, population of the IXC responsible for call termination charges in the CIC field
12 in SS7 transmissions is optional at this time. Further, wireless carriers are not required to
13 obtain or use CICs. In any event, since it is not needed for routing for termination
14 purposes, CIC is not signaled in the termination direction today.”

15
16 **Q: Does the SS7 monitoring system that Mr. Linse mentions make the billing more**
17 **accurate than if MF is used?**

18 A: No. It isn’t an exact science, and both SS7 and MF each have issues. To quote page 6 of
19 the WECA report: “The problem is that calls using SS7 can be completed even if the data
20 in some of these fields used to identify the originating carrier is missing or incorrect. The
21 same is true for the in-band signaling (MF) – the calls complete even if the information is
22 missing. For example, calls from wireless providers generally leave the carrier parameters
23 blank. In other cases, the originating or transiting carriers may change information in
24 certain fields, for a variety of reasons.”

25
26 **Q: Though Qwest has refused to provide you with an indication of the substantive**
27 **changes they made, what specific issues do you know exist with the proposed ICA?**

28 A: As mentioned, the proposed ICA unlawfully attempts to force NCC to switch to SS7. It

1 also places an arbitrary cap on the number of minutes that NCC can bill Qwest (240,000).
2 Further, the formula for the relative use factor (RUF) has no bearing on actual relative use.
3 Finally, Qwest attempts to define VNXX when that definition has an industry standard or
4 has been established by state utility commissions.
5

6 **Q: How would you change these areas of the ICA?**

7 A: I would revert back to the original language used in the current ICA, which (1) did not
8 penalize or otherwise limit NCC from using MF technology and (2) did not place a cap on
9 the number of billable minutes. I would also use an RUF based on actual usage and omit
10 all language regarding VNXX.
11

12 **Q. Ms. Albersheim testifies that North County delayed the negotiations. Is that**
13 **accurate?**

14 A. No. If anyone delayed the negotiations it was Qwest. We asked Qwest numerous times to
15 have people on the conference calls that had the technical knowledge to answer all the
16 technical questions. They refused. We asked them to have someone on the call with
17 authority to make an agreement. They refused. Each time, they had to go back to talk it
18 over with someone else or another organization. We asked them for redline versions and
19 reasons why they wanted to make the changes. They refused. On the first phone call, I
20 told them about a company in Massachusetts that signed a new agreement with Verizon
21 and went out of business because of the shift in the cost of the circuits (i.e., due to a
22 revised RUF). It took Qwest two years to finally disclose that there were more material
23 changes than just "updating definitions." This is just an example of the delay and
24 disinformation tactics Qwest used. I question how many other material changes have not
25 been disclosed. It is a telltale sign that they are not willing to say what the material
26 changes are.
27
28

1 **Q. Is Ms. Albersheim's description of the negotiation process accurate?**

2 A. No, they only provided their side of the story after they refused to work with us. First,
3 Qwest never had the people on the conference calls that had signing authority. Each time
4 you brought up even a minute change, they had to go speak to someone else. This made it
5 very difficult to negotiate. Second, they said it was their way or the highway. We had to
6 use their template and nothing else. They wouldn't use our existing agreement. They
7 wouldn't use an agreement that NCC had. They wouldn't use our existing agreements
8 with AT&T or Verizon as a template. They simply refused to negotiate unless we used
9 their agreement as the template. Third, their e-mails are totally out of context. If the
10 commission would like, I can give them all the e-mails.

11
12 **Q. Why do you think Qwest included those emails?**

13 A. Perhaps to show bad faith on NCC's part or to show good faith on the part of Qwest.
14

15 **Q. To the best of your recollection, was Ms. Albersheim involved in the negotiations?**

16 A. I don't believe she was on a single call, and she definitely wasn't on any of the e-mails.
17 None of her information is firsthand knowledge. It is all hearsay. I am not sure why she
18 is here to testify. I believe all her testimony should be stricken.
19

20 **Q. Ms. Albersheim testified that you never brought up in the negotiations about using a**
21 **third-party tandem provider. Is that an accurate statement?**

22 A. No. That is not true. It was brought up in numerous calls and in four e-mails – March 4,
23 2009, August 24, 2009, August 27, 2009, and May 3, 2010. See attached Exhibit 2.
24

25 **Q. Was Qwest willing to work off other Commission-approved interconnection**
26 **agreements or justify why they insisted on using their agreement?**

27 A. No. They treated me like they were the parent and I was the child. They told us we could
28 opt in to one of their other agreements, accept this new agreement, negotiate off this

1 agreement, or they would force us to arbitration. Again, they used their size to bully us.
2 They provide e-mails saying that I wouldn't work on their time table. In reality, they
3 completely distorted my willingness to try to work through their agreement. They
4 wouldn't extend the courtesy to me. There are approved Verizon interconnection
5 agreements in Arizona. There is no reason not to work off one of those agreements.
6 There is no justification to make it easier for Qwest but harder for competitors who have
7 to work off multiple interconnection agreements with multiple carriers. As you can see
8 from my two e-mails from December 4, 2008 e-mail, I asked Qwest if I sent them an
9 agreement, would they be willing to work at the same time table they suggested. They
10 refused and threatened arbitration. See attached Exhibit 3.

11
12 **Q. Was Qwest willing to answer the simple question on how things would be different if**
13 **you signed the new agreement?**

14 A. No, they just kept threatening arbitration.
15

16 **Q. Did Qwest have appropriate decision makers on the calls?**

17 A. No. Please see my e-mail dated November 18, 2009. See attached Exhibit 4.
18

19 **Q. Were there material changes in the end?**

20 A. Yes. They finally told us near the end of the negotiations. See my February 24, 2010
21 email. See attached Exhibit 5.
22

23 **Q. Does it matter that 95 other CLEC's opted in to the Qwest agreement?**

24 A. First, there are 29 CLECs that did not opt in to Qwest's form ICA. Second, it is likely that
25 most of the CLECs decided it was not worth spending the money on arbitration to fight
26 Qwest, who has unlimited resources. Finally, I would be curious how many CLECs are
27 using our old agreement.
28

1 **Q. Verizon operates in Arizona. Do they charge a non-recurring charge for the T1s to**
2 **deliver their traffic to NCC or to carriers they allow to subtend their tandem?**

3 A. No.
4

5 **Q. Does Verizon charge NCC for the T1s and multiplexer ("MUX") fees?**

6 A. No.
7

8 **Q. Do they charge for the call records?**

9 A. No.
10

11 **Q. Is it fair for Qwest to charge?**

12 A. No. The Commission should investigate Qwest's TELRIC rates for these call records.
13 Everyone else provides them free of charge. In many instances, Qwest charges more for
14 the call records that we can charge for the call. Qwest wants to pay us a lower
15 termination fee but they don't want to charge a lower call record fee. And they won't
16 allow us to subtend off a third-party tandem provider.
17

18 **Q. Does Qwest order T1s or DS3s to carry their traffic to NCC?**

19 A. No. They want us to order it.
20

21 **Q. In Tucson, you are interconnected with just T1s. Is there a MUX involved when a T1**
22 **is used to interconnect?**

23 A. Yes.
24

25 **Q. Is Qwest charging you for MUX under your current agreement?**

26 A. No. They only charged us an installation fee. We paid it, but I believe it is a violation of
27 our interconnection agreement.
28

1 **Q. Does Qwest want to start charging you a MUX fee to deliver their traffic to NCC if**
2 **the new agreement is approved?**

3 A. Yes.

4
5 **Q. You have a billing dispute with Qwest over your interconnection trunks in Phoenix.**
6 **Could you explain it?**

7 A. For some reason even though we aren't charged in Tucson, they are charging us a MUX
8 fee when we used DS3s in Phoenix. The only reason we used DS3s is because their fiber
9 facility in the building we are located in didn't have the capacity for the amount of T1s we
10 were getting. Second, when we had so many T1s, Qwest kept having outages on their
11 end. Finally, it was cheaper for Qwest to put in the DS3s. It was actually more expensive
12 on our end because we had to put a MUX on our end to convert them back to T1s. I
13 believe the interconnection agreement doesn't allow them to charge a recurring or non-
14 recurring fee for the circuits or the MUX.

15
16 **Q. Are you saying they charge NCC a MUX fee when it is a DS3 but not when it is a T1?**

17 A. Correct. It makes no sense. They don't charge us for the MUX for DS3s in Oregon, and
18 we have the same interconnection agreement. I suspect this was another red herring. We
19 didn't have any problems with Qwest until they wanted a new interconnection agreement.

20
21 **Q. Does Verizon charge you for a MUX if you have a DS3 versus a T1?**

22 A. No.

23
24 **Q. Do you order the circuits from Verizon for Verizon's traffic to NCC?**

25 A. No. They order them. They install them. And they provide the call records. All for free.
26 It is the industry standard for the originating carrier to pay for the transport of their calls –
27 not the receiving party. Qwest would like for us to pay for our calls and their calls.

1 **Q. Has Qwest ever ordered T1s to your switch?**

2 A. Yes, in the Phoenix LATA. I don't know why they won't do it now. They send me e-
3 mails that they want me to order circuits. When I do, they bill me. This isn't fair, and it
4 goes against industry standard practices. I have a blocking situation right now in Tucson.
5 They should be ordering circuits to relieve the capacity problem and they aren't doing it.
6

7 **Q. Mr. Linse says that other CLECs interconnect with Qwest using MF. Why would**
8 **they still keep their MF trunks if SS7 is so much more reliable?**

9 A. They wouldn't. They keep them as a backup in case their SS7 links go down. Most small
10 CLEC's order their SS7 links from companies such as Verisign/TNS. These links costs
11 thousands of dollars. Qwest can afford to have more than two links. Small CLECs, if
12 they have a need to go to SS7, only order two. This makes it less reliable. In other words,
13 if two circuits go down, your entire network goes down. If we were forced to switch to
14 SS7, we would lose money on the costs of the link alone.
15

16 **Q. Ms. Albersheim stated the process that Qwest has to go through to investigate billing**
17 **issues. Is she accurate?**

18 A. No. Qwest is purposely tying one hand behind its back. Their switches have the
19 capability to track MF calls. Further, if they would provide us an ANI on each call in MF,
20 we could give them exchange message interface ("EMI") records of every call. They
21 simply refuse to do so and then say, "We can't track calls." The truth is they choose not
22 to track MF calls. It is simply a choice on their part, and because the original agreement
23 was for MF calls, and because we built our entire network around their original
24 agreement, as between Qwest putting the effort into tracking MF calls or North County
25 completely scrapping its entire network and converting to SS7, it is Qwest that should
26 bear the burden of its choice to dictate the available technology.
27
28

1 **Q. Are you saying that if they provided you with ANI on your interconnection trunks**
2 **that you could give them all the information they need to validate the billing and**
3 **address all their concerns?**

4 A. Absolutely. It is a common practice in the industry to swap or provide EMI files if there
5 is a billing dispute. But instead of doing this they want to put an arbitrary cap on my
6 billable minutes. Those lines can handle a million minutes, but Qwest only wants to pay
7 for the first 240,000 and get the rest of the minutes for free (while still billing their own
8 clients for these minutes they refuse to reimburse us for).

9
10 **Q. What would it cost them to provide you the ANI?**

11 A. Nothing. It is just a Class of Service change on our trunk group. They simply type a few
12 commands into the computer.

13
14 **Q. Ms. Albersheim testifies that Qwest can't track the minutes. Is she qualified to say**
15 **this?**

16 A. She appears to be a lawyer and billing person, not a technical person. She is just repeating
17 what other people have told her.

18
19 **Q. Ms. Albersheim mentioned the methodology that was used to create the billing. Is**
20 **she telling the whole story?**

21 A. Absolutely not. I will try not to oversimplify it. There are three general types of calls that
22 come over our trunk groups: Local, Switched Access (intraLATA toll or interLATA toll),
23 and Transit Calls. Qwest provides us with a billing tape of all the toll calls from long
24 distance carriers and the transit records from wireless carriers and CLECs. The rest of the
25 calls are from Qwest or small rural local exchange carriers that subtend their tandem.
26 Qwest then only pays a percentage of this amount – not the entire amount reflected in the
27 records. Because they refuse to provide us ANI, we are unable to validate the percentage
28 they tell us. Indeed, during negotiations, we discovered their analysis was completely

1 baseless. For example, in Tucson, Qwest was only paying us for 74% of the calls. Qwest
2 told us that there were other carriers that connected up to them that weren't being tracked.
3 This was completely false. There isn't a single rural local exchange carrier in the local
4 Tucson area. In Phoenix, they were only paying us for 58% of the local calls. We
5 discovered that Qwest covers over 99% of the Phoenix area and that there were only a few
6 small Indian reservations that had very few people living there. Clearly this didn't justify
7 only paying for only 58% of the calls. We are still working with Qwest to resolve these
8 billing issues.

9
10 **Q. Ms. Albersheim mentions that Qwest cannot bill North County for outbound calls**
11 **because of MF. Is this true?**

12 A. Qwest bills usage on our MF long distance trunks, and other carriers who have the same
13 switches as Qwest bill us for outbound calls. I am at a loss as to why Qwest is saying it
14 cannot do it.

15
16 **Q. Is Qwest requiring the rural ILEC's to convert to SS7 to interconnect with them?**

17 A. No. Frankly, nothing in the Telecom Act allows them to dictate that the trunks would be
18 configured using SS7. Again, they are the ones who decided to change their trunks from
19 the MF trunks we both were using when we interconnected. Now they want to force us to
20 convert to their technology, and now they claim that it is imperative even though for
21 almost 14 years there were almost no issues with MF signaling. Indeed, Mr. Linse admits
22 that Qwest finally completed their conversion to SS7 in their last central offices on April
23 30, 2010 – a couple months ago. So they literally sought to require our conversion before
24 their conversion was even complete. In addition, I suspect by the way they answered the
25 discovery questions (or more accurately, failed to answer the discovery questions) that
26 they still have MF trunks on their network; they just added SS7 service. As between
27 Qwest using the resources it has to properly track MF, and North County being forced to
28 either convert to SS7 or receive nothing for the provision of its services, equity dictates

1 that Qwest should bear the burden of its technology choices. This is particularly true
2 where, as here, a small CLEC built its system based on Qwest's prior requirements and
3 the current ICA drafted by Qwest.
4

5 **Q. When Qwest was demanding that you convert to SS7 to be able to make outbound**
6 **calls on their network, did they still have CO's that were exclusively MF?**

7 A. Yes. In fact they had one CO that was exclusively MF until April 30, 2010. They wanted
8 us to convert to SS7 two years before they did.
9

10 **Q. When NCC requested that Qwest disclose how many CLECs still have MF trunks in**
11 **addition to SS7 trunks, did Qwest every answer the question?**

12 A. No. They are playing big firm litigation tactics and trying to force us to file a whole
13 bunch of motions. Instead of answering our questions, they had the audacity to restate
14 and reinterpret our request to be 'how many carriers only have MF trunks.' That was not
15 our question. The Commission should force Qwest to answer this question. If a carrier
16 still has MF trunks, they can use them to make outbound calls. If other carriers still have
17 them, and there are no use restrictions in their interconnection agreement, Qwest shouldn't
18 be allowed to discriminate against NCC.
19

20 **Q. Qwest and NCC have a billing dispute in Arizona. Do you believe Qwest is justified**
21 **in its dispute?**

22 A. Absolutely not. This was a complete red herring to justify the new interconnection
23 agreement. They state they don't have the ability to track the calls they send us – they
24 can only give a peg count and they can't tell the jurisdiction of the calls. Since they
25 admitted they aren't currently tracking the calls, they cannot credibly dispute our bills.
26

27 **Q. Should an ILEC be allowed to interconnect with Qwest on a two-way basis and NCC**
28 **be prohibited from interconnecting in the same fashion?**

1 A. No. The Telecom Act is supposed to level the playing field. Qwest is not allowed to
2 discriminate against CLECs.

3
4 **Q. Qwest says that SS7 is the industry standard for interconnection. Is this correct?**

5 A. No, it is simply one of the standards. So is MF. In fact, one of the new standards of
6 interconnection between carriers is SIP. Qwest refuses to interconnect by SIP and Voice
7 over Internet Protocol ("VoIP"). SIP would also address all of their concerns. We have
8 the capability to interconnect by SIP. We would like to interconnect using ISDN or SIP.
9 Qwest is also refusing to interconnect using either of these standards. Again, Qwest is
10 simply trying to force NCC to bear the burden of Qwest's technology choices. Mr.
11 Linse's Direct Testimony in footnote 4 on page 6 states, "SS7 is the dominant signaling
12 protocol in a Time Division Multiplex (TDM) network. As Internet Protocol networks
13 carry telecommunications traffic, IP compatible signaling protocols are being developed
14 and used for similar purposes as SS7 signaling." I assume he is quoting from a document
15 that is ten years old. VoIP standards were developed a long time ago. AT&T, Verizon,
16 Vonage, Time Warner Cable, Cox, Magic Jack, Skype, AOL/AIM, Google Voice and
17 hundreds of other providers use IP. Even Qwest offer VoIP services to its customers. I
18 believe our interconnection agreement should require Qwest to offer VoIP
19 interconnection. It is so much more efficient than SS7 with TDM. Qwest is proposing a
20 standard that is already behind the times. We would love to switch from MF to VoIP but
21 Qwest is refusing.

22
23 **Q. Do you feel Qwest is discriminating against NCC by not giving NCC IP**
24 **interconnection and forcing NCC to use SS7?**

25 A. Yes. As stated in *Western Radio v. Qwest Corp.*, "ILECS are required to provide
26 interconnection to requesting carriers 'that is at least equal in quality to that provided by
27 the local exchange carrier itself or to any subsidiary, affiliate, or any other party to which
28 the carrier provides interconnection..." Qwest offer IP interconnection on a wholesale

1 level, to businesses, and even to residential customers. See attached Exhibit 6. Qwest
2 offers up to 46 voice lines per T1 compared to the only 24 voice lines per T1 if we
3 interconnect with them with SS7.

4
5 **Q. Does the Telecom Act allow Qwest to choose the standard they can interconnect?**

6 A. No, there are many different standards. With all due respect, who made Qwest king?
7

8 **Q. Mr. Linse changed his testimony since the Washington Arbitration. Do you have**
9 **any insight into this?**

10 A. Yes. In his prior testimony, he appeared to be confused between the 1984 breakup of
11 AT&T and the 1996 Telecom Act. He went back to the text books and tightened up his
12 testimony. His only central office experience is he took one course on it. He has no
13 infield experience. For example, after I pointed out that, if MF is so unreliable, it wouldn't
14 be used on 911 trunks, Mr. Linse is now trying to say that MF on 911 is somehow
15 different because they are one way trunks versus two way trunks. There is simply no
16 technical basis to explain why they would be reliable for one-way trunks but not reliable
17 for two way trunks.

18
19 **Q. Mr. Linse states that SS7 is necessary to record the local originating traffic from**
20 **NCC. How much investigation did he do to make sure this was accurate?**

21 A. In Washington, our attorney specifically asked him if he asked AT&T or Verizon how
22 they can track NCC's originating and terminating local minutes. In his testimony in
23 Washington, he said that he spoke to a few people who said it couldn't be done, but he did
24 not know their names. I don't know who he spoke to but they clearly either didn't
25 understand his questions or they were wrong. For example, North County receives bills
26 ever month for local traffic it sends to AT&T over MF trunks. We also receive a report
27 from them every month that shows all the traffic we receive over the MF trunks. It
28 includes all local and toll calls. It isn't simply a PEG count.

1
2 **Q. Mr. Linse attached an exhibit to his testimony to show that MF signals get blocked**
3 **or are often busy. Have you ever had any issues with call blocking or busy signals?**

4 A. No. NCC and our customers designed the network to be non-blocking. Therefore, it
5 doesn't apply.
6

7 **Q. In his testimony, Mr. Linse states that Qwest can't track jurisdictional minutes and**
8 **can only tell you the total number of minutes. He said that prior to the 1996 Telecom**
9 **Act Qwest's "validating records required little more than counting the total number**
10 **of minutes on each trunk and comparing this total with that of the originating**
11 **switch1 record..." Is this an accurate Statement?**

12 A. No. He was obviously told this by someone else, and this is not based on his personal
13 experience. All I can say is that he misunderstood what he was told. The Telecom Act of
14 1996 opened the market for CLECs to come about. In 1984, AT&T was broken up. This
15 is when the Baby Bell's were created and there was equal access to long distance.
16 USWest/Qwest didn't just add up the total number of minutes that long distance carriers
17 had on their network when the long distance carrier had MF signaling. Qwest charged
18 them mileage on each call. You can't do this if you are just adding up the minutes.
19

20 **Q. How do you know you are correct and he is incorrect?**

21 A. Because I personally submitted the Access Service Request ("ASR") orders with Qwest
22 for MF long distance trunks back in the early 90s. I validated the bills when they came in.
23 In fact, I believe we may even still have some of those trunk groups around.
24

25 **Q. Do you have a problem with Qwest's definition of RUF and facilities?**

26 A. Yes, a MUX is necessary on their end of the circuit and on our end of the circuit. We
27 shouldn't have to pay 100% of their MUX.
28

1 **Q. Do you have issues regarding Qwest's definition of VNXX?**

2 A. I think we should leave that language out and just agree to follow the Commission's
3 orders. Qwest's definition is vague. Qwest offers Call Forwarding and Remote Call
4 Forwarding services. Qwest, in the WUTC arbitration, stated that both Call Forwarding
5 and Remote Call Forwarding services do not fall into the category of VNXX. This
6 definition could be interpreted to prohibit these product offers.

7
8 **Q. Did NCC ask Qwest to provide their contacts at Lucent and Northern Telecom to**
9 **support their conclusion that their switches didn't have the ability to track the calls?**

10 A. Yes, but they again played the big legal firm game and would only give us Lucent's and
11 Northern Telecom's attorneys' names.

12
13 **Q. Were you able to track anyone down at Lucent or Northern Telecom to prove they**
14 **were wrong?**

15 A. Yes. See my e-mail from January 22, 2011. See attached Exhibit 7. I wasn't able to track
16 anyone down from Northern Telecom since my contact no longer worked there after their
17 bankruptcy. Frankly, I believe the Commission should force Qwest to provide the names
18 of the supposed individuals at Lucent and Northern Telecom that said it couldn't be done.
19 It is a complete fabrication. Mr. Linse even alluded to the fact that they chose not to
20 record call data from each switch on tapes because of the volume of traffic. This shows
21 that the switches can track it. Qwest is simply choosing not to do it. They could easily set
22 our trunk groups to record the traffic, if they don't want to use our call records. It isn't
23 fair that we have to use their minutes when there is going to be all these phantom calls.

24
25 **Q. Is Qwest discriminating against NCC as a CLEC in other ways?**

26 A. Yes. Qwest refuses to purchase our CNAM data. In other words, when our customers
27 call one of their customers, the calling party name will not show up on the caller ID. This
28 is a main reason we do not send outbound calls over our interconnection trunks in

1 Washington. We use other carriers to route the calls to Qwest. Many business customers
2 want their name displayed on the caller ID displays of the people they call. NCC
3 requested that Qwest buy NCC's data under the same terms and conditions Qwest was
4 selling us its data. Qwest refused. What I find even more shocking is they appear to
5 make a distinction between obligations to purchase CNAM data from ILECs versus
6 CLECs.

7
8 **Q. Is Qwest charging other carriers different rates for the call records?**

9 A. They appear to be, and it isn't fair. They would only give me the same rate if I signed the
10 new interconnection agreement. Those items shouldn't be related.

11
12 **Q. Does this conclude your testimony?**

13 A. Yes.
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WECA Docket 02-01

Report on Phantom Traffic

September 27, 2005

I. Identification of Issue

A significant volume of telecommunications traffic is being delivered to rural incumbent local exchange companies (rural companies) for termination without sufficient information to permit billing by the rural companies. This traffic originates from interexchange carriers (IXCs), competitive local exchange carriers (CLECs), wireless providers and others (collectively, "the originating providers"). The rural companies are not being paid for terminating this traffic. As a corollary, the originating providers are receiving free use of the rural companies' networks. In addition, it appears that significant amounts of toll or long-distance traffic is being delivered to the rural companies over extended area service (EAS) trunks without records necessary for assessing access charges. This traffic -- traffic delivered without associated information identifying the originating carrier, or interexchange carrier in the case of toll traffic -- is referred to as "Phantom Traffic."

The presence of Phantom Traffic creates several problems. The first of these problems is that to the extent that the Phantom Traffic would otherwise qualify as traffic subject to tariffed access charges, there is an understatement of access traffic. This understatement of access traffic can have two consequences. The first is that the rural company has a shortfall in covering the costs of providing access services. The second consequence is that access rates are higher than they would otherwise be since the traffic is not being included in the calculation of the appropriate level of access rates. This, in turn, has consequences for determining intercarrier compensation reform. If the "size of the pie" is not properly measured, it may lead to adoption of a particular intercarrier compensation reform mechanism that would not be appropriate if the total volume of access traffic was properly accounted for. This means that to the extent that revenue recovery through access charges is transferred to charges to end use customers under a particular intercarrier compensation reform mechanism, there is the potential for too large of an increase in end user charges.

Second, the presence of Phantom Traffic also has potential problems for universal service fund mechanisms. To the extent the traffic appears as local traffic (delivered over an EAS trunk group), it may not be counted in interstate revenues for a particular carrier and thus there is less of a contribution to the federal universal service fund, resulting in a higher percentage surcharge being assessed to other customers. In addition, to the extent that intercarrier compensation reform mechanisms propose the transfer of recovery of revenues from access charges to universal service fund mechanisms, there is a higher proportion of revenue shifted to those universal service fund mechanisms due to the presence of Phantom Traffic, if such Phantom Traffic is properly access traffic. This, also, can affect the majority of customers by requiring them to contribute a higher percentage to a federal universal service fund than might otherwise be the case if all traffic was properly measured and billed appropriately.

The third problem posed by the presence of Phantom Traffic is the effect on the network. Increasing use of the public switched telephone network (PSTN) by carriers

that do not pay for the use of the PSTN creates an increasing strain on the network. Absent adequate compensation from all telecommunications users, the carriers owning the networks, such as the rural companies, may not be able to afford network augmentation, network improvements or network upgrades. If there are political limits on the amount of support that can be provided by universal service funds, the free use of the PSTN by carriers that originate Phantom Traffic creates a transfer of those costs from the carriers using Phantom Traffic to end use customers to pay for network augmentation, network improvements and network upgrades. However, there are practical and competitive limitations on the extent to which charges to end use customers can be increased. As a result, it is not clear how continued investment in the PSTN can be sustained in the face of a growing volume of Phantom Traffic.

National estimates have put the size of the Phantom Traffic problem at twenty percent or more of the traffic terminating to a rural carrier.¹ In Oregon, one company that has established the capability to capture terminating traffic has reported that upwards of fifty percent of the traffic terminating to it on Feature Group C (FGC) trunks² potentially qualify as Phantom Traffic. The same company reported that on Feature Group D (FGD) trunks that the interexchange carriers (IXCs) order directly to the company (not tandem routed), the Phantom Traffic rate is well below one percent. Two Washington companies with similar measuring capability have reported that well in excess of thirty percent, and recently approaching forty percent for one company and in excess of fifty percent for the other company, of the traffic terminating to these companies on FGC trunks do not have associated billing records and, thus, may qualify as Phantom Traffic.³

The traffic is being delivered to toll/access tandems owned and operated by Qwest or potentially other tandem operators by the originating providers. The vast majority of rural companies subtend Qwest tandems. That traffic is then delivered to the rural companies over trunk groups established for toll calls. In some cases, toll traffic is not delivered to the toll tandem and instead is delivered to the rural companies over EAS trunks.

The traffic traversing the toll/access tandems is generally referred to by the tandem provider as transiting traffic, since it originates on the network of one provider, transits through the network of an intermediary provider (the tandem provider), and terminates on the network of a third provider.⁴

¹ National Exchange Carrier Association, Inc., "Phantom Traffic" Uncover, Discover and Recover, Presented March 3, 2005. Balhoff & Rowe, LLC, Phantom Traffic: Problem and Solutions, (May, 2005).

² In common usage, the trunk groups between rural companies and Qwest to and from the toll/access tandem for the carriage of toll traffic are referred to as Feature Group C trunks and that nomenclature will be adopted for the report. Technically, the trunk groups were established as Feature Group trunks for the provision of Feature Group services (Feature Group A, Feature Group B, and Feature Group C) ordered out of the rural company's access tariff. There is disagreement whether to characterize the feature groups in terms of signaling protocols (i.e., FGC is "traditional signaling") or services. This technical debate was not resolved within the docket. More importantly, the technical debate appears to have little meaning for the resolution of Phantom Traffic issues.

³ See Tables 1 and 2, attached. In particular, note the growth in the traffic that may qualify as Phantom Traffic over the past four years.

⁴ This assumes that the originating and terminating parties subtend the same tandem.

The originating providers may pay the intermediary provider transiting charges for transporting the traffic from their networks, switching the traffic at the tandem, and transporting the traffic to the networks of the rural companies. These charges are pursuant to access tariffs and interconnection agreements.

Historical compensation schemes evolved to an access charge structure under which rural companies assess Qwest originating and terminating access for delivery of the intraLATA toll traffic.⁵ The toll trunks were not used for the routing of EAS traffic. The converse was also true; historically, EAS trunks were not used for the routing of toll/access traffic. Today, it appears that EAS traffic is routed over toll trunk groups and toll traffic is sometimes routed over EAS trunk groups. In most cases, such traffic lacks signaling information sufficient to permit identification of the originating provider or the facilities of the rural companies are not technically capable of identifying the originating provider for this traffic. Again in most cases, the rural companies are not able to block traffic from particular providers without blocking all incoming traffic on these shared trunks.

In the past, the amount of unidentified transiting traffic delivered to rural companies from an intermediary provider was not significant. This has changed, driven in major part by growth in usage in the wireless and CLEC markets. Termination of originating Voice over Internet Protocol (VoIP) traffic destined for access lines served by rural companies may also be a growing contributor to the problem. It also appears that access bypass is, in part, a motivating factor. Significant costs for rural companies are attributable to the volume of such traffic now being delivered to the rural companies.

II. Background: Evolution of Interconnection

Historically, the telephone network has had central offices⁶ connected to tandem switches, which were, in turn, connected to other long distance switching offices. Prior to the Bell System divestiture in 1984, the tandem switches to which rural company central offices connected were generally owned by AT&T Long Lines (AT&T) or Pacific Northwest Bell Telephone Company (PNB).

With the Bell System divestiture, the AT&T and PNB tandem offices became US WEST properties, and US WEST (now Qwest) became the intraLATA toll provider for all of the rural companies' service areas in Washington and Oregon. This meant that intraLATA long distance calls placed by rural company customers were jointly provided by the rural company where the call originated and Qwest. IntraLATA toll traffic continued to use the existing trunks constructed under the old AT&T and PNB regime.

⁵ With the implementation of equal access, IXCs other than Qwest also pay access charges on intraLATA traffic.

⁶ Central offices that serve end user subscribers are referred to as "end offices." Every end office is not directly connected to every other end office. Traffic between end offices is aggregated for both originating and terminating purposes through tandems that serve several subtending central offices. An explanation of the various types of traffic and the methods used to route such traffic appears in Appendix A. A glossary of some of the technical terms is included as Appendix B.

As a general rule, the rural companies provided trunking to and from a meet point with Qwest and Qwest provided the remainder of the intraLATA toll network.⁷ Those trunks were, and are, FGC.

After the Bell System divestiture, interLATA toll traffic originating or terminating in areas served by the rural company was also routed through Qwest tandems, but such traffic was routed to the customer's chosen interLATA toll provider. After divestiture and the deployment of Equal Access, all major interexchange carriers, and most minor ones, purchased FGD trunking to the Qwest tandems, and in some cases directly to the end offices of the rural company,⁸ for the handling of interLATA toll traffic, since FGD allowed carriers to use equal access dialing for originating calls. With equal access dialing originating calls, the presubscribed interexchange carrier identification code ("CIC") is signaled in FGD format from the end office to the tandem switch. IntraLATA toll traffic, however, continued to be routed over the existing FGC trunks which predated divestiture.

Prior to the Bell System divestiture, and for a substantial period thereafter, EAS calls were carried over separate trunks and not co-mingled with toll traffic. More recently, some EAS traffic, especially EAS traffic originating from CLECs, has come to be carried over the FGC trunks that historically were reserved exclusively for toll traffic.⁹ Today, the traffic routed by Qwest on the FGC trunks terminating at rural company central offices includes calls from CLECs and wireless providers who have interconnected at the Qwest access/toll tandem, instead of at the rural company end offices. The rural companies have trouble billing for this traffic because all types of traffic on the FGC trunks are co-mingled and the rural companies, as a technical matter, cannot identify, based on terminating call records the rural company creates, whether calls they terminate should be billed to an IXC, a CMRS provider or a CLEC. On FGD trunks, the terminating billing record is a combination of Signaling System 7 (SS7), which is out-of-band signaling, or recording data on call duration, and the carrier to be billed is identified through the control of the interconnection trunk: if the trunk has been ordered by carrier X, or is otherwise assigned to carrier X, then the traffic is billed to carrier X. However, since transiting traffic is carried on shared trunks (FGC), the rural companies cannot identify the carrier based on the trunk. For traffic which transits the tandem, only the tandem provider can identify the carrier to be billed.

If the information is present in the signaling stream, it is technically possible to identify the company serving the originating customer based on SS7 or the in-band signaling information. For example, SS7 call signaling contains a number of data fields. The Calling Party Number (CPN) field identifies the number of the person placing the call. The Charged Number (CN) field indicates the number that is being billed for the

⁷ Each company had a distinct meet point with Qwest unless the rural company subtended another, non-Qwest tandem. This was, and is, a relatively rare occurrence.

⁸ A few rural companies have maintained their own tandem from time-to-time, in which case the traffic would route to the rural company's tandem.

⁹ This description of traffic flows is not meant to suggest that the routing of EAS traffic over toll trunks or toll traffic over EAS trunks is an acceptable routing mechanism. Rather, this phenomena is a contributing factor to the creation of Phantom Traffic.

call. If the calling number has not been ported, the NPA-NXX of the CPN can be used to identify the company serving the calling party. Although there are industry billing guidelines that establish billing record formats for the recording of traffic carried by an IXC, the signaling stream will not necessarily identify the carrier for the call if the call is carried by an IXC since the CIC of the carrier responsible for terminating charges is not signaled in the terminating direction. In addition, if the calling number has been ported,¹⁰ then the SS7 local call signaling may also contain the local routing number or LRN as well as the ported number, and the company providing local service to the calling party can be identified via the LRN.

In theory, the use of the CIC is available for identifying the carrier responsible for terminating charges. However, population of the IXC responsible for call termination charges in the CIC field in SS7 transmissions is optional at this time. Further, wireless carriers are not required to obtain or use CICs. In any event, since it is not needed for routing for termination purposes, CIC is not signaled in the terminating direction today. SS7 has many additional fields, such as jurisdictional indicators and some of these might be used for identifying the originating carrier (defined as the IXC the calling party uses for the call), but that requires further technical investigation.

The problem is that calls using SS7 can be completed even if the data in some of these fields used to identify the originating carrier is missing or incorrect. The same is true for the in-band signaling (MF)--the calls complete even if the information is missing. For example, calls from wireless providers generally leave the carrier parameters blank. In other cases, the originating or transiting carriers may change information in certain fields, for a variety of reasons.

An additional problem may be that some trunks interconnecting transiting carriers and originating providers may not use SS7 signaling for the entire call route. The same may be true of trunks connecting the transiting providers and the terminating rural companies. If these interconnecting trunks are not SS7 compatible, then the out-of-band SS7 message, which contains the information which could be used to identify the originating provider, will not be passed over that portion of the call route where the trunks are not SS7.

The shared interconnection trunks (FGC) connecting an access tandem and the rural company end office carry a variety of traffic terminating to the rural company, including:

- IntraLATA traffic from the tandem operator.
- IntraLATA traffic originating from another ILEC providers serving as Primary Toll Carriers.
- Wireless traffic.

¹⁰ Local number portability allows a customer to move or "port" service from one provider to another without the need to change telephone number.

- Terminating traffic (both toll and EAS) bound to the terminating rural company from CLECs which interconnect with the tandem operator at the access/toll tandem.
- Terminating traffic (both interLATA and intraLATA) from IXC's that do not have direct FGD trunks to the terminating rural company end office or to a terminating tandem operated by the rural company.
- Overflow terminating traffic from IXC's that have direct FGD trunks to the rural company, where the FGD toll trunks connecting the IXC to the rural company become full (if such overflow routing has been provisioned by the IXC and the terminating tandem operator).

It should also be noted that in order to accommodate the entry of Verizon Northwest as a Primary Toll Carrier (PTC) into the intraLATA toll market, the industry created the Data Distribution Center (DDC) to allow the exchange of traffic information for intraLATA toll calling for calls that originate from the service areas of incumbent LECs and where no IXC, other than a PTC, is involved in the carriage of the call. This allowed Qwest, Verizon and, later, Sprint-United to become the PTCs for customers within their service areas. The rural companies do not charge for the delivery of their originating message record information to the DDC.

III. Positions of the Parties:

A. Wireless Providers and Originating CLECs¹¹

These providers are currently sending traffic to the transiting providers' tandems, and are being charged only the relatively low transiting charges. The calls are being terminated by rural companies, but, in many cases, the originating providers are not being charged anything for that service. Wireless providers enjoy a large "local" calling area mandated by decisions of the FCC. This local calling area for purposes of call termination is the Major Trading Area, which usually encompasses a large geographic area. For example, the Seattle Major Trading Area consists of the following counties: Chelan, Clallam, Douglas, Grant, Grays Harbor, Island, Jefferson, King, Kitsap, Kittitas, Lewis, Mason, Okanogan, Pacific, Pierce, San Juan, Skagit, Snohomish, Thurston, Whatcom and Yakima. The Portland Major Trading Area is comprised of the following Oregon and Washington counties: Benton, Clackamas, Clark, Clatsop, Columbia, Coos, Cowlitz, Crook, Curry, Deschutes, Douglas, Grant, Harney, Hood River, Jackson, Jefferson, Josephine, Klamath, Klickitat, Lake, Lane, Lincoln, Linn, Marion, Multnomah, Polk, Sherman, Skamania, Tillamook, Wahkiakum, Wasco, Washington, Wheeler and Yamhill. Wireless providers generally oppose any move to reduce this local calling area. The status quo is not harming these originating providers, while any change is likely to increase their costs.

The rural companies, when deprived of compensation for terminating this traffic, are harmed by the status quo. The rural companies have undertaken an initiative over the

¹¹ No wireless carrier participated in the Docket. Only one CLEC participated. The positions stated in this section are inferred from positions taken in public dockets.

past two years to negotiate traffic exchange agreements with various wireless companies. As of this date, agreements are in place with Verizon Wireless, Sprint PCS, T-Mobile and Cingular.¹² Other wireless carriers have either ignored the requests to negotiate traffic exchange agreements or have been very slow to respond to such requests.¹³

B. Rural Companies

The rural companies have proposed several remedies for this problem. Not all of these remedies are mutually exclusive. As one idea, they proposed requiring separate trunks for all traffic. Rural companies have also proposed charging the provider delivering the terminating traffic for the traffic. Third, they have, in the past, proposed having Qwest convert the interconnection trunks to FGD. Fourth, the rural companies have discussed joint or model agreements with the originating wireless carriers. The rural companies continue to discuss other possible remedies with Qwest.

If all traffic were carried over separate trunk groups, with each trunk group dedicated solely to one type of traffic from one provider, the rural companies would have no trouble identifying the originating carrier, nor obtaining enough information to bill those providers. This would allow direct billing. It would also allow the rural companies to block traffic from any provider that did not pay for terminating the traffic, since the rural company could block that trunk group. However, the rural companies have recognized this is a very expensive solution and have not seriously pursued this option to date.

The rural companies have also proposed billing the provider delivering the traffic. The rural companies argue that access charges should apply to all traffic being sent over the shared access trunks. The rural companies state that the shared trunks were originally established to carry toll calls, so any usage over those trunks should be billed access unless the delivering carrier can accurately identify the non-toll traffic from other terminating traffic for billing purposes. Further, in most instances the FGC (shared) trunks are established, ordered and operated by Qwest. Arguably, under tariff language, Qwest is the responsible party for all traffic delivered by it over those trunks. The delivering carrier could, presumably, pass the terminating charges on to the originating provider.

The rural companies have suggested that Qwest (and presumably the other tandem operators) convert its trunks from FGC to FGD. Under this approach, Qwest would order FGD services out of the rural companies' access tariffs. However, this appears to be an expensive alternative.

¹² Cingular has agreements in the state of Washington but not in the state of Oregon.

¹³ Under the FCC's recent decision in the T-Mobile docket, T-Mobile Petition for Declaratory Ruling Regarding Incumbent LEC Wireless Termination Tariffs, CC Docket No. 01-92, FCC 05-42 (Released February 24, 2005), rural LECs now have the ability to request negotiations for traffic exchange with wireless carriers, including the ability to seek state arbitration. There is some debate as to whether the order is consistent with statutory language. The order has been appealed.

The rural companies have also been attempting to negotiate traffic exchange agreements with the wireless providers sending traffic over the shared trunks. The rural companies are proposing a model agreement, which could be applied to most rural companies and most wireless carriers. The rural companies prefer the model agreement option to arbitrating agreements between the many rural companies and many dozen originating providers. Several agreements have been signed, but the rural companies are reporting that negotiations on the model agreement are at an impasse with other carriers. To date, negotiations have not been attempted with CLECs. The rural companies also looked at tariffs as an interim measure until agreements are negotiated.¹⁴

C. Qwest

Qwest's position is that it should not be required to pay terminating access on transiting traffic because:

1. Qwest does not have the retail relationship with the end user on either end of the call and therefore has no retail revenue from which to compensate the terminating carrier under a calling party pays compensation environment.
2. Per the FCC, terminating access rates are not the appropriate charges for intraMTA wireless traffic.

Qwest also objects to being billed terminating charges (access or reciprocal compensation) with the intention that Qwest assume the administrative burden of billing and collecting those company specific charges from the carriers who delivered the traffic to Qwest.

Qwest's position is that it should not be required to convert its tandems to enable FGD trunking with ILECs as doing so would not accomplish the intended objective of providing the terminating carrier more information for billing purposes.

Qwest also offers a product called the Single Point of Presence (SPOP) under which a wireless carrier or CLEC can deliver all traffic to a single point in the LATA. SPOP allows a CLEC or wireless service provider (WSP) to have one physical point of presence per LATA. In addition, it also allows a CLEC to deliver exchange service (EAS/Local), exchange access (intraLATA Toll (Non-IXC)) and jointly provided switched access (interLATA and intraLATA IXC) traffic or a WSP to deliver intraMTA and interMTA on combined or separate trunk groups to Qwest access tandem switches where no local tandem exists. As a result of 271 workshops occurring in each state in Qwest's fourteen state region, each state has different rules around interconnecting to local tandems. The following is the language that was agreed to in the 271 workshops by Qwest and CLECs, which was subsequently approved by the respective Commissions in Oregon and Washington:

¹⁴ The tariff option may not be a feasible option for wireless traffic as a result of the Federal Communications Commission's recent decision on the T-Mobile petition (see, footnote 12). The T-Mobile decision declared wireless termination tariffs to be impermissible on a forward-going basis from the date of the decision.

OREGON:

CLEC may interconnect at either the Qwest local tandem or the Qwest access tandem for the delivery of local exchange traffic. When CLEC is interconnected at the access tandem and where there would be a DS1's worth of local traffic between CLEC's switch and those Qwest end offices subtending a Qwest local tandem, CLEC will order a trunk group to the Qwest local tandem. As an alternative, CLEC shall terminate traffic on Qwest end office switches. When Qwest lacks available capacity at the access tandem, Qwest will arrange local tandem or end office interconnection at the same cost to CLEC as interconnection via the Qwest access tandem.

Qwest will allow interconnection for the exchange of local traffic at Qwest's access tandem without requiring interconnection at the local tandem, at least in those circumstances when traffic volumes do not justify direct connection to the local tandem; and regardless of whether capacity at the access tandem is exhausted or forecasted to exhaust unless Qwest agrees to provide interconnection facilities to the local tandems or end offices served by the access tandem, at the same cost to CLEC as interconnection at the access tandem.

WASHINGTON:

CLECs shall terminate exchange service (EAS/Local) traffic on tandems or end office switches, at CLEC's option. When Qwest lacks available capacity at the access tandem, Qwest will arrange local tandem or end office interconnection at the same cost to CLEC as interconnection via the Qwest access tandem.

Qwest will allow interconnection for the exchange of local traffic at Qwest's access tandem without requiring interconnection at the local tandem, at least in those circumstances when traffic volumes do not justify direct connection to the local tandem; and regardless of whether capacity at the access tandem is exhausted or forecasted to exhaust unless Qwest agrees to provide interconnection facilities to the local tandems or end offices at the same cost to CLEC as the interconnection at the access tandem.

Qwest states that it can produce a record intended to aid the rural companies in billing for transiting traffic for a fee of \$0.0025 per message. Qwest has been asked if it can modify its product to charge only for billable records. This would require separation of calls that are EAS in nature which are routed over FGC trunks. Qwest's position is that it is not required to revise its billing record delivery process to separate records by originating provider or to bill only for useable records. Qwest's position is that it would be impractical for Qwest as the transiting provider to tailor its system for creation of the transit records to reflect each terminating carrier's individual agreements with the originating carriers so that only records to be used for billing would be produced.

It is Qwest's position that the transiting provider should not be billed for call termination for a toll/access call. Qwest believes that interconnection negotiations should

be undertaken between wireless providers and rural companies and also between CLECs and rural companies for the termination of traffic to the rural companies.

It is Qwest's position that the options available to terminating carriers include the following: 1) make arrangements with the originating carriers to have the originating carriers provide the call detail information and jurisdiction indicators to the terminating carriers, or 2) contract with an entity that can record the information provided on the SS7 signaling stream, or from switch-based recording, for the transit calls to obtain the call detail records to be used for billing, or 3) obtain call detail transit records from the transiting provider, or 4) request direct connections with the originating providers.

In addition, Qwest, as a transit provider, does not feel it is obligated to assume the administrative costs and risk of non-payments by originating carriers while having to pay terminating companies.

Further, Qwest believes that separation of traffic onto separate trunk groups by originating carrier creates major translation problems for Qwest, will not provide a clean routing process and is inefficient.

D. Verizon

Verizon notes that this is not exclusively a rural company problem. Larger firms, such as Verizon, are affected by such billing issues – as terminating service and as transit service providers. Verizon also notes that estimates of Phantom Traffic in the range of 20 percent or more likely include local and EAS calls.

Verizon also notes that SS7 signaling is intended primarily for routing, not billing, and therefore does not contain all the information necessary for billing the carriers responsible for traffic that transit Verizon tandem switches.

EMI records, on the other hand, are intended for billing. At the current time, where Verizon records transit traffic, Verizon will deliver the EMI records to the terminating LEC without a charge. These EMI records contain information identifying the carrier to be billed. Per OBF industry standards, IXC's are identified by a CIC code, while all other carriers are identified by their OCN. Verizon reserves the right to assess a charge for these records at some point in time in the future.

Verizon's position is that the terminating party should bill the originating party in the case of traffic subject to reciprocal compensation, and the toll service provider in the case of traffic subject to access charges. Verizon's position is that the terminating party should not bill the transiting provider. Transit providers such as Verizon are not required – and should not be required – to act as a billing intermediary between originating and terminating carriers. It is also Verizon's position that it is not under an obligation to provide tandem switching for third party carriers and that if new burdens and financial risks were placed on it as to transiting traffic, it would be entitled to either act to secure sufficient compensation or to discontinue its transiting traffic functions.

As to the suggestion that Qwest and other tandem operators convert trunks from FGC to FGD signaling, Verizon notes that nothing would be gained by such a move. FGD signaling, as described in Appendix B, provides for equal access dialing on the originating side of a toll call, and is used to signal the selected toll provider's CIC to the tandem switch -- the CIC is the only information available to the tandem that tells it to which toll provider to route the call. On the terminating side of a toll call there is no equal access signaling and there is no practical difference between FGC and FGD signaling. Verizon stresses that the CIC information used to identify the toll service provider to bill for terminating access charges is not part of the terminating signaling. As such, any transition from FGC to FGD will not deliver the expected billing information to the rural LEC end office.

IV. Activity in Other Venues:

A. Other States

A few states, such as Missouri, have opened rulemakings on these issues. Montana and South Dakota have passed legislation dealing with transit traffic issues. Wisconsin has a docket on this issue, Docket No. 5-TI-1068, Investigation on the Commission's Own Motion Into the Treatment of Transiting Traffic.

Minnesota has a docket in which the rural companies brought a complaint against Qwest, Docket No. P-421/C-04-200, In the Matter of a Complaint by the Minnesota Telecom Alliance Against Qwest Communications, Inc. Regarding Traffic Terminating from Qwest Communications, Inc. Tandem Switches. An interim settlement has been reached under which Qwest agreed to deliver the records for certain transiting traffic to the rural companies. The records related to CLEC originated traffic are provided without charge.

In Michigan, SBC has agreed to be responsible for payment of access charges for messages delivered to rural companies that do not include billing information. Michigan Exchange Carriers Association v. Ameritech, Cause No. U-11298.

In Oregon, one rural company has brought a complaint against Qwest alleging improper delivery of traffic without records. That is Docket UCB 18, In the Matter of Beaver Creek Cooperative Telephone Company vs. Qwest Corporation. The Administrative Law Judge in that docket has issued an interim ruling that Qwest is not financially responsible for the delivery of third party traffic to the Complainant.¹⁵ That ruling is subject to appeal at the close of the hearings on Qwest originated traffic.

¹⁵ The ALJ's August 4, 2005 ruling in the OPUC's UCB 18 Docket concludes: "(n)either the Commission or either of the parties hold the view that Phantom Traffic is a phantom problem. ILECs are providing terminating access for interexchange traffic passing through CLEC and CMRS switches for which those ILECs are not being compensated. Someone should pay, but for the reasons set forth in my ruling, that someone is not Qwest." Ruling at pages 4-5.

There are forums that address some of these issues. One forum in particular--the Ordering and Billing Forum or OBF--has addressed many issues of data requirements and formats. The OBF has some recommendations under consideration that may be useful. However, part of the problem has been that the OBF guidelines are not complete enough, while another part of the problem has been that carriers have been inconsistent or incomplete in their implementation of OBF guidelines. Therefore, although the OBF guidelines may have a part in solving these problems, the parties should not expect the OBF to resolve the problem on its own.

B. FCC Activity

The FCC has issued its Further Notice of Proposed Rulemaking (FNPRM) on intercarrier compensation.¹⁶ The FCC has called for comments on a number of intercarrier compensation proposals. These include proposals submitted by the Intercarrier Compensation Forum (ICF), the Expanded Portland Group (EPG), the Alliance for Rational Intercarrier Compensation (ARIC), Western Wireless, Cost-Based Intercarrier Coalition (CBIC) and the National Association of Regulatory Utility Commissions (NARUC), among others. These proposals include a variety of alternatives, such as the transition to bill and keep, the transition from per minute charges to per port charges and moving intrastate access charges to interstate levels. It is unlikely that the FCC will take action on the NPRM prior to the end of the year. In addition, most of the plans that are under review call for relatively long term transition periods for the rural companies.

Implementing a bill-and-keep scheme would result in significant lost revenue for rural companies. Interstate access charges for rural companies are significantly higher than RBOC access charges, and rural companies, generally, have less revenue from specialized services, such as high-capacity transport and specialized business services. An increase in the monthly end user common line is unlikely to cover the loss of revenues from interstate intercarrier compensation for rural providers. If the FCC pre-empts intrastate access charges as well, the rate increase to local customers will be much higher. Attached as Tables 3 and 4 is an analysis of the local rate increases resulting solely from intrastate access rates being reduced to some of the levels suggested by the intercarrier compensation proposals. The amounts are significant.

In the opening round of comments in the FNPRM, a large number of the comments stressed the need to address Phantom Traffic issues. For example, both CenturyTel, Inc. and TDS Telecommunications Corporation (TDS) stressed the need to enforce "truth-in-labeling" on all inter-network and intercarrier traffic. Any traffic that is not properly labeled should be blocked.¹⁷

¹⁶ In the Matter of Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92, Further Notice of Proposed Rulemaking, FCC 05-33 (Released March 3, 2005).

¹⁷ Comments of Century, Inc. at p. 5-7; Comments of TDS Telecommunications Corporation ("TDS Comments") beginning at p. 9.

Specifically, TDS states: "The growing problem of phantom traffic distorts the intercarrier compensation system by placing undue burdens and costs on other carriers and consumers (especially rural consumers); undermines the cost-causer principle at the heart of the current intercarrier compensation system; and contributes to regulatory arbitrage."¹⁸ TDS urged that the first step in any intercarrier compensation reform be the elimination of Phantom Traffic. TDS made the following recommendations:

At a minimum, the Commission should (1) adopt "truth-in-billing" guidelines that make it explicitly unlawful to alter, exclude, or strip carrier and call identifying information; (2) implement processes for challenging suspect traffic and penalizing responsible carriers; (3) permit inaccurately labeled traffic to be billed at the highest applicable rate to the carrier delivering the traffic; and (4) authorize the blocking of inaccurately labeled traffic, subject to specific guidelines and timelines for notifying and warning consumers and investigating and resolving disputes.¹⁹

The National Telecommunications Cooperative Association (NTCA) filed comments on the issue of Phantom Traffic supporting that after a date certain, all unlabeled traffic would be billed to the carrier delivering the traffic as access.²⁰ Additionally, NTCA supports adoption as mandatory standards the recommendations of the Network Interconnection Interoperability Forum (NIIF) for procedures for getting accurate geographic information for call origination into SS7 initial address messages. This would implement existing Jurisdictional Information Parameter (JIP) information. Currently, the JIP is an optional parameter. NTCA recommends adopting the NIIF rules for populating the JIP as mandatory standards. Those rules as described by NTCA are as follows:

1. JIP should be populated in the Initial Address Messages (IAMs) of all wireline and wireless originating calls where technically feasible.
2. JIP should be populated with an NPA-NXX that is assigned in the Local Exchange Routing Guide (LERG) to the originating switch or Mobile Switching Center (MSC).
3. Where technically feasible if the originating switch or MSC serves multiple states/LATAs, then the switch should support multiple JIPs such that the JIP used for a given call can be populated with an NPA-NXX that is specific to both the switch as well as the state and LATA of the caller. If the JIP cannot be populated at the state and LATA level, the JIP should be populated with an NPA-NXX specific to the originating switch or MSC where it is technically feasible.

¹⁸ TDS Comments at p. 10.

¹⁹ TDS Comments at p. 11-12.

²⁰ Comments of the National Telecommunications Cooperative Association at p. 51.

4. Where the originating switch cannot signal JIP it is desirable the subsequent switch in the call path populate the JIP using a data fill default associated with the incoming route. The value of the data fill item is an NPA-NXX associated with the originating switch or MSC and reflects its location.
5. When call forwarding occurs, the forwarded call from directory number (DN) field will be populated, the JIP will be changed to a JIP associated with the forwarded from DN and the new called DN will be inserted in the IAM.
6. As per T1.TRQ2, the JIP should be reset when a new billable call leg is created.

The National Association of Regulatory Utility Commissioners (NARUC) filed an intercarrier compensation proposal known as Version 7. In that proposal, NARUC addresses Phantom Traffic as follows:

No LEC shall be required to terminate calls if the call records do not permit billing for terminating access, so long as it participates in an industry process designed to identify calls that have been blocked for this reason and provide real-time resolution. If the carrier seeking to terminate traffic to the LEC disputes the LEC's determination, it should have the option of referring the dispute to the appropriate State commission for resolution. Upon receiving notice that the dispute has been referred to a State commission, the LEC should carry the disputed traffic until the State commission has acted.

Reply comments in the FNPRM were filed July 20, 2005. It is still not expected that FCC action will occur prior to the end of this calendar year.

V. Analysis of Alternatives:

A. Status Quo

The rural companies are experiencing an ever-increasing amount of transiting traffic being terminated to them. See Tables 1 and 2. It is difficult to quantify the portion of the traffic that is Phantom Traffic. It is even more difficult to assign a dollar value to the Phantom Traffic. However, the magnitude of the Phantom Traffic is significant, and growing. The rural companies have expressed increasing concern over this problem. The status quo--having the rural companies absorb the cost of terminating this traffic--does not seem reasonable or sustainable.

For the reasons identified earlier, the status quo places upward pressure on retail customer rates. In addition, the status quo calls into question the ways in which continued investment can be made in network augmentation, network improvements and network upgrades in rural portions of the PSTN.

B. Wait for FCC

As discussed above, a final resolution from the FCC may not be presented in the near term. The only resolution which would obviate the need for state-level action on the transiting traffic issue is if the FCC abolishes intercarrier compensation and attempts to preempt the state commissions, applying a bill and keep policy to intrastate interconnection as well. It is questionable that such a plan could withstand court challenges, and even if the FCC were to pursue such a course, the FCC could be expected to phase in that plan over a number of years.

C. Dedicated Trunking

Requiring separate trunks for all traffic would resolve many of the billing and blocking problems the rural companies now face. The cost of requiring such trunking, however, could be high.

There are over a dozen rural companies serving in rural areas of the state, and those rural companies serve many end offices. Taken together, there are even more CLECs and wireless providers serving in the state. Requiring separate trunks from each provider to each office would require many hundreds of additional trunks to be installed. This would require investment for facilities upgrades, and, perhaps, switch enhancements.

The CLECs and wireless providers would also bear additional costs--the charges for the facilities and terminations of all those trunks. For some providers operating only in the Seattle or Tacoma areas, for example, the trunks terminating in various rural areas of Washington would see little or no usage--certainly not the level of usage that would make installing a dedicated business trunk a reasonable business decision if other transport were available.

This solution would be further compounded by legal problems. Under FCC rules, it is arguable that the wireless carriers are allowed to interconnect at tandems, and receive transport over the ILEC network to all subtending end offices. If the Commission attempted to require wireless providers to use dedicated transport to all end offices, it could face a legal challenge. If it did not, then shared transport trunks would continue to create the same problems that exist today.

Requiring dedicated trunking to all end offices also runs into problems if the Commission continues to allow overflow traffic to ride shared trunks. Overflow traffic would have the same identification problems of other types of shared trunks. Not allowing overflow trunking would require the providers to size the dedicated trunks for peak loads, rather than typical loads. This would result in an increase in the number of trunks required, and in the resulting expense.

D. Billing Transiting Carriers Terminating Charges

The rural companies have proposed applying terminating access charges to all traffic delivered to them over FGC trunks. The rural companies would bill the delivering carrier for all traffic arriving over the shared interconnection trunks in this case. The problems the rural companies now have in billing transiting usage result from problems in identifying the provider to be billed, and these problems would end if all charges were billed to the provider delivering the traffic to the rural companies. The rural companies argue that the existing access tariffs allow them to bill the provider delivering the traffic to them.

The delivering providers could, in theory, pass these charges on to the originating providers. In practice, this would depend on whether the interconnection agreements between the transiting and originating providers allowed the passing on of such charges.

E. Interconnection Agreements (ICAs)

Under the 1996 Telecommunications Act, one method of arriving at interconnection and compensation for "local" traffic is the ICA. However, not all of the traffic involved in this issue is considered to be "local" in nature. In an ICA, providers may negotiate agreements covering rates, terms and conditions, and those rates, terms and conditions may be different than tariffed rates. Providers may reach voluntary agreements, or may request mediation or arbitration under the §§ 251 and 252 of the Act.

The rural companies have been attempting to negotiate a model wireless agreement, which the majority of wireless originating providers could enter into. Such a model agreement could obviate the need for a large number of arbitrations.²¹ Since arbitrating a significant number of the agreements necessary between the dozen or so rural companies and dozens of originating providers would tax the resources of the rural companies and originating providers, this is a desirable goal.

Many of the rural companies are currently unable to block the traffic from individual originating carriers that is delivered on the FGC trunks. This leaves the rural companies no ability to disconnect providers for non-payment. Rural companies have proposed the use of ratios to determine terminating traffic. The ratio is based on traffic originating from the rural companies which then uses the agreed T/O ratio.²² The originating minute data is verifiable. Three wireless carriers – Verizon Wireless, Sprint PCS and T-Mobile – agreed to use of the T/O ratios for billing terminating traffic. AT&T Wireless (now Cingular) began by using its records and sending those records,

²¹ It is not clear that arbitration may be available for these negotiations. Rural companies are exempt from Section 251(c) obligations, which include arbitration leading to Section 252 Commission-determined arbitration. The FCC's T-Mobile decision recently indicated that the rural companies could compel arbitration with a wireless provider. That decision may be subject to legal challenge.

²² "T/O ratio" refers to the calculation of terminating minutes ("T") based on originating minutes ("O"). With a T/O factor of 2/1, there is agreement to use two terminating minutes for every one originating minute. The T/O ratio can also be expressed as a percentage of total traffic between two carriers, such as "70/30."

without charge, to the rural companies to be used for billing terminating traffic. The accuracy of Cingular's records was called in question. Cingular has recently agreed to be billed using a T/O ratio. Without the use of ratios, most of the rural companies would have to rely on the originating provider's own statements of volume, or purchase the Qwest records, to determine the amount of terminating traffic they receive. The rural companies do not have the ability to verify this third party data.

F. Qwest Records

Currently, Qwest is willing to sell transiting records to the rural companies for \$0.0025 per category 11-01-01 call detail message. This charge would apply to all messages, whether billable or not. At the present time, Qwest asserts that it is unable to identify and provide only billable messages. At the present time, Qwest takes the position that:

(a) The CMRS or CLEC carriers who utilize indirect connections and deliver their traffic to Qwest's tandems have the responsibility to properly route their traffic to the appropriate tandem for completion;

(b) Qwest, as a transit provider, has an obligation to allow for indirect interconnection between CMRS and CLECs to LECs, therefore Qwest will transit all traffic delivered to it at its access or local tandems; and

(c) Qwest's switching system does not attempt to identify the jurisdiction of the inbound traffic at the time the call is set up to determine whether the traffic should be routed over other groups such as local or EAS trunks instead of traditionally signaled terminating toll trunks.

This position has resulted in a high volume of local traffic from CLECs being routed to rural companies in EAS regions over FGC trunks rather than EAS trunks. Qwest would bill the rural companies for the provision of records for these EAS messages under its current offering.

Qwest also offers a Single Point of Presence (SPOP)²³ product to CLECs and wireless companies. This product is meant to require that the CLEC or wireless carrier route traffic to an EAS tandem, if one exists for an end office, and to the access tandem for all other end offices within a LATA. It is not clear that Qwest is enforcing the requirement to use local tandems where they exist since Qwest states it does not look at the originating number when delivering traffic through the access tandem. However, Qwest represents that it records every message delivered to it at the access tandem and that all records would be included in the record charges on a per-message basis. This makes the offer from Qwest to provide the messages for a fee appear to be uneconomic for the rural companies.

G. Blocking Traffic from Non-Paying Originating Providers

Even if the rural companies can identify the originating carrier for terminating traffic, the rural companies may continue to have trouble billing that traffic.

²³ See the description of the SPOP set out at pages 8-9, earlier.

Traditionally, telephone companies have enforced billing by threatening disconnection. Since transiting traffic (Phantom Traffic) is delivered over shared trunks that also deliver intraLATA toll, disconnection of those trunks by the rural company is not a viable option for many of the companies.

It may be technically possible for rural companies to block traffic based on originating carrier identification data in the SS7 call set-up message, but that remains theoretical at this point.

The transiting providers generally could block this traffic, since the traffic usually arrives from the originating providers over dedicated trunks,²⁴ and the transiting providers could block traffic from that trunk group to a particular rural company. However, Qwest has expressed reluctance to block traffic unless ordered to do so by the Commission. Assuming that the Commission does order transiting carriers to block traffic, when required, the parties and Commission will need to develop methods and criteria for that blocking. It should be noted that at least some of the intercarrier compensation proposals in the FCC's NPRM call for the tandem provider to exercise a higher level of control over the traffic that transits the tandem than Qwest does today. This would include looking at the originating data to determine whether the traffic should permissibly be routed over that tandem.

H. Passing Carrier Identification Data

If the rural companies are able to develop a method of billing based on in-band carrier identification or SS7 data, or if they use that data to verify the traffic reports supplied by the transiting providers, then this approach may offer an alternative. Presently, it is not clear what work-around processes might be possible if some data is missing. One Washington company, Mashell Telecom, has amended its access tariff to allow billing based upon terminating access records derived from information in the SS7 signal. Under this tariff language, the call is deemed to begin for access billing purposes with the transmission of the Address Complete Message and the message is deemed to have completed for access billing purposes with the transmission of the Release Complete Message. Mashell is experiencing implementation issues associated with use of this alternative billing parameter and has not yet issued any bills based upon SS7 signal information.

I. Legislation

It is possible for rural companies to pursue legislation. However, pursuing legislation is extremely time consuming, and can also be very expensive. For informational purposes, a copy of recent legislation adopted in South Dakota is attached in Appendix C.

²⁴ One exception would be traffic that travels from one tandem to another. Other exceptions may exist.

J. Combination Approaches

Several parties have recommended that a combination of approaches be used. These approaches focus on the need to correctly and completely populate message records. This "truth-in-labeling" or "truth-in-billing" approach is coupled with providing carriers the ability to block improperly populated traffic and, most importantly, billing the delivering carrier for the traffic that is delivered without billing information for the delivered message.

One approach is suggested by the midsize carriers such as CenturyTel and TDS. This approach has the following elements:

- Adoption of "truth-in-billing" standards that require the population of identifying fields for carrier and jurisdiction by the originating carrier and which make it explicitly unlawful to alter, exclude, or strip carrier and call identifying information
- Implement processes for challenging suspect traffic and penalizing responsible carriers
- Require transiting carrier to forward the identification information without alteration
- Permit inaccurately labeled traffic to be billed at the highest applicable rate to the carrier delivering the traffic
- Permit the blocking of inaccurately labeled traffic, subject to specific guidelines and time lines for notifying and warning consumers and investigating and resolving disputes

An alternative approach is suggested by NTCA. The NTCA approach would adopt the NIIF procedures for accurate geographic labeling, focusing on population of the JIP. These would become mandatory standards. The standards are set forth at page 14, above. Any message that is delivered without the appropriate population information in the record would be billed to the carrier delivering the traffic as access traffic.

VI. **Other Issues:**

A. 800 Calls

In addition to other types of calling patterns, over the past year the industry has been addressing a problem related to 800-type calling. This problem originates where calls are associated with a CIC of 0110, which is commonly denominated within the industry to indicate that a LEC, and not an IXC, is the 800 service provider. The LEC 800 service provider is identified by means of a POTS (plain old telephone service) line number. Under the 800 calling system, an 800 number is associated with either a valid CIC, or a CIC of 0110 and a POTS number. The information that associates the 800 number with the CIC or POTS number is entered and maintained in the SMS800 database.

The control for entry of data in the SMS800 database is that an entity must become a RESPORG (or responsible organization). Unfortunately, the controls over who may become a RESPORG and enter data are very loose. This has led to the situation where some 800 providers are associating with what appear to be less than honorable RESBORGS. The 800 service provider sells an 800 number to a business at a "good" price. The RESPORG then associates that 800 number with a 0110 CIC and a POTS number of a LEC, who many times is not aware of the entry into SMS800 of the 800 number, 0110 CIC, and one of their POTS numbers. All billing records that are developed for that 800 number are associated with the LEC who has the POTS number, not the actual 800 service provider themselves. Therefore, the 800 service provider avoids having to pay access charges for the service.

This problem is being addressed at a national level on a forward-going basis. A solution appears to be ready to be put in place that would require verification of a business relationship between the RESPORG entering the data into SMS800 and the LEC with the POTS line number. There is still a question about traffic that is processed up to that date and, perhaps, some ongoing traffic that is processed prior to that date with existing RESPORGs.

The Washington Exchange Carrier Association, the Oregon Exchange Carrier Association, Qwest, Electric Lightwave, Verizon and Sprint-United are working together to try to address the legacy issues by identifying high volumes of traffic to particular 800 numbers that are associated with 0110 CICs, but where Qwest is not the 800 service provider. The identified companies will track that data to attempt to identify any unethical RESPORGs that may be involved in the use of the 800 database for such traffic.

Many calling card services are related to 800 calling. AT&T claimed that its calling card services were information services, not telecommunications services. Under this theory, AT&T did not pay access charges or make contributions to the universal service fund for those services. The FCC recently held that AT&T was wrong.²⁵ The FCC concluded that AT&T's calling card services were in fact telecommunications services. AT&T subsequently filed a Motion for Stay Pending Appeal. In that Motion, AT&T argued that there were many other calling card service providers that route their calls in such a way as to avoid the payment of access charges. This is a significant ongoing problem.

VII. Conclusion and Recommendation:

The Docket recommendation is that the Commission open a proceeding to consider the following:

1. Adoption of "truth-in-billing" standards that require the population of identifying fields for carrier and jurisdiction by the originating carrier and

²⁵ In the Matter of AT&T Corp. Petition for Declaratory Ruling Regarding Enhanced Prepaid Calling Card Services, WC Docket No. 03-133, Order and Notice of Proposed Rulemaking (Released February 23, 2005), FCC 05-41.

which make it explicitly unlawful to alter, exclude, omit, or strip carrier and call identifying information.

2. Adoption of processes for challenging suspect interexchange traffic and penalizing responsible carriers.
3. Adoption of a default standard of billing the carrier delivering inaccurately labeled traffic for that traffic.
4. Adoption of a set of standards establishing the minimum requirements for delivery and exchange of traffic records.
5. Adoption of specific guidelines and timelines for investigating and resolving intercarrier traffic labeling disputes.
6. Adoption of a range of remedies to address violations of "truth-in-billing" standards.

It should be noted that the foregoing recommendation did not proceed from the docket as a unanimous recommendation.²⁶ Some docket participants felt that moving these issues to state commission proceedings is not appropriate at this time. A suggestion was made that it may be more appropriate to defer action until the Phantom Traffic issues have been addressed at the FCC. It is correct that many carriers have been urging the FCC to undertake a review of Phantom Traffic issues. However, there is no indication to date that the FCC will start such a proceeding or consider Phantom Traffic issues within the existing dockets, most notably the Intercarrier Compensation docket.

Nor is it clear that the FCC would have jurisdiction over intrastate access issues. Many parties filing comments before the FCC in the Intercarrier Compensation docket have argued that the FCC does not have authority over intrastate access issues. This is the position taken by many state commissions.

Concerns were also expressed whether a state commission has authority to address these issues for traffic carried by wireless carriers or traffic carried by VoIP providers. The countervailing view was that even if one hundred percent of the traffic cannot be addressed, it is important to make progress on these issues and, thus, moving the discussion of the issues to the Commission appears to be appropriate.

The issues are very complex. The issues are very technical. And, the issues are evolving, including the necessity to consider whether various new methods of routing calls, such as VoIP, may come into play. However, the issues are important and they are timely issues. The fact that the industry itself has not been able to come up with an

²⁶ Qwest proposed an alternative recommendation which is attached as Appendix D. Qwest took no position on whether it is appropriate to bring these issues to the Commission at this time, but offered the alternative recommendation for consideration.

agreed solution to Phantom Traffic issues only underscores that it is appropriate to bring these issues to the Commission for consideration.

TABLE 1
COMPANY A
FGC TERMINATING TRAFFIC

A	B		C		D		E	
	SWITCH MEASURED		QWEST REPORTED		DIFFERENCE		DIFFERENCE %	
YEAR	MINUTES	MSSG	MINUTES	MSSG	MINUTES	MSSG	MINUTES	MSSG
2001	5,587,726	1,682,758	4,080,112	1,077,742	1,507,614	605,016	26.9800%	35.9500%
2002	5,877,825	1,759,500	3,956,574	1,021,705	1,921,251	737,795	32.6900%	41.9300%
2003	6,604,722	2,085,805	3,795,144	1,039,990	2,809,578	1,045,815	42.5400%	50.1400%
2004	7,760,104	2,391,229	4,059,805	1,106,798	3,700,299	1,284,431	47.6800%	53.7100%
2005*	3,052,349	877,217	1,481,564	376,674	1,570,785	500,543	51.4600%	57.0600%

*Through April, 2005

TABLE 2
COMPANY B
FGC TERMINATING TRAFFIC

A	B		C		D		E	
	SWITCH MEASURED		QWEST REPORTED		DIFFERENCE		DIFFERENCE %	
YEAR	MINUTES	MSSG	MINUTES	MSSG	MINUTES	MSSG	MINUTES	MSSG
2001	5,718,675	1,657,584	4,713,652	1,289,940	1,005,023	367,644	17.57%	22.18%
2002	5,593,718	1,606,657	4,279,885	1,194,976	1,313,833	411,681	23.49%	25.62%
2003	7,012,272	1,852,954	4,725,073	1,300,679	2,287,199	552,275	32.62%	29.81%
2004	9,088,319	2,451,576	5,428,731	1,485,853	3,659,588	965,723	40.27%	39.39%
2005*	2,950,018	826,458	1,749,758	488,548	1,200,260	337,910	40.69%	40.89%

*Through March, 2005

Table 3

Washington

Company	Scenario 1 - Originating \$0.0 - Terminating \$0.01	Scenario 2 - Originating \$0.01 - Terminating \$0.01	Scenario 3 - Originating \$0.01 - Terminating \$0.02
1	\$60.05	\$59.01	\$56.97
2	40.37	38.80	37.32
3	35.21	32.07	30.41
4	30.37	28.25	27.42
5	27.63	27.01	26.62
6	26.38	24.34	23.33
7	26.15	25.14	24.30
8	25.98	25.16	24.25
9	23.90	23.44	22.48
10	23.19	22.52	21.80
11	21.01	14.73	9.20
12	20.19	19.18	18.50
13	16.12	15.50	15.03
14	14.07	13.22	12.58
15	13.18	12.50	11.52
16	13.15	12.41	11.52
17	11.46	10.89	10.21
18	11.14	10.44	9.98
19	8.97	8.32	7.72
20	8.18	7.70	6.39

Table 4

Oregon

Company	Scenario 1 - Originating \$0.0 - Terminating \$0.01	Scenario 2 - Originating \$0.01 - Terminating \$0.01	Scenario 3 - Originating \$0.01 - Terminating \$0.02
1	\$15.58	\$13.75	\$12.34
2	12.98	11.41	10.31
3	12.51	11.12	9.86
4	12.32	10.80	9.80
5	11.57	10.64	8.90
6	10.75	9.54	8.48
7	10.73	9.59	8.43
8	8.33	7.46	6.53
9	8.02	7.21	6.27
10	7.75	6.90	6.10
11	7.62	6.98	6.14
12	7.16	6.19	5.76
13	6.34	5.50	5.09
14	6.26	5.52	4.96
15	6.21	5.56	4.87
16	5.76	5.10	4.56
17	5.60	4.99	4.41
18	5.04	4.40	4.02
19	4.89	4.37	3.83
20	4.87	4.33	3.83
21	4.73	4.30	3.67
22	3.92	3.41	3.13
23	3.64	3.18	2.91
24	3.51	3.07	2.80
25	2.68	2.33	2.14
26	2.60	2.32	2.04

Appendix A

Types of Traffic

Local Service

Technical description:

The definition of local service evolved in a circuit-switched world. A customer would activate the switch, the switch would get information on the called party from the customer, and the switch would then connect that customer's line to the called party's line, to create a complete circuit. The customers would then have their conversation. At the end of the conversation, the switch would be notified that the call has been terminated, and the switch would disconnect the circuit.

In the early days of telephony, the customer would notify the switch operator of his/her desire to make a call by turning the crank on the side of the phone (which would ring a bell at the operator's location. The caller would then tell the operator the name or number of the person being called. At the end of the call, the customer would turn the crank again, to notify the operator that the call was done (ringing off).

With the current system, picking up the handset automatically signals the switch that the caller wishes to place a call. The switch responds by sending "dial tone"--an audible indication that the switch is ready to receive instructions. The customer sends the called party's telephone number, which corresponds to the line assigned to the called party. At the conclusion of a call, either party hanging up the phone will signal the switch to terminate the connection.

Technically, local service originally referred to calls between customers connected to the same switch, and physically located within the same exchange. Since an exchange was originally the area served by a single switch, these definitions were interchangeable. However, as populations grew, single exchanges were often divided and served by multiple switches, with the subdivision being called "wire centers." Likewise, some rural exchanges were merged, so that they could both be served by a single switch. Technological changes have also resulted in a single switch serving multiple exchanges.

Extended Area Service (EAS)

Technical description:

Extended Area Service is an arrangement where customers in one exchange can make calls on a local, non-toll basis, to customers in certain other exchanges. The trunking arrangement for EAS calls typically is that the switches in the exchanges with EAS to one another are directly connected with EAS trunk groups.

When an EAS call is placed, the switch serving the customer identifies the switch serving the called party, and routes the call over the trunks used to create the EAS arrangement with that switch. The switch of the company serving the called party then completes the circuit.

Long Distance, a/k/a Message Toll Service (MTS)

Technical description:

Long distance service means a call which terminates outside the local calling area of the originating end user.

With divestiture, the country was divided into LATAs.²⁷ The Regional Bell Operating Companies or RBOCs kept intraLATA toll traffic and AT&T, together with competing interexchange carriers (collectively, the IXC), handled all interLATA traffic.

Post-divestiture, interLATA calls originate to the IXC utilizing the local company-provided lines, and when the IXC has purchased FGD trunks to the end office serving the calling party are switched onto that FGD trunk running to the IXC Point of Presence (POP). When the IXC has not purchased FGD trunks to the end office serving the calling party the call is then routed over FGC trunks to the tandem which the end office sub-tends. With the introduction of intraLATA competition, an intraLATA call may also be routed to an IXC for completion. Overflow traffic is traffic which is routed to the tandem (by either the end office in the case of call origination, or the IXC in the case of call termination) because the preferred direct end office FGD trunks are full.

To bill access charges on toll calls, the originating and terminating carriers use a mix of SS7 and trunk identification data. The time and duration of the call generally comes from SS7 data. Typically, on an originating access toll call, the equal access end office switch creates the originating access call record and the CIC is populated based on the carrier selected by the calling party (either their PIC/LPIC/or 1010XXXX). On a terminating access call the first switch on the PSTN (either the terminating end office where the IXC has ordered FGD trunks to that end office, or the tandem) creates the terminating access record and populates the CIC based on what IXC ordered the FGD trunk to the end office or tandem.

²⁷ Local Access and Transport Area.

Wireless Service

Technical description:

Wireless traffic is, technically, identical to circuit switched voice traffic. Wireless traffic may originate over wireless links, but it is switched by the same switching technology used by ILECs. The interconnection trunks connecting wireless switching offices to wireline tandems are the same types as used by interconnecting CLECs or IXC's. Signaling is via SS7.²⁸

The FCC, and various state and federal statutes, have limited the states' jurisdiction over wireless providers. The FCC decided to treat wireless providers as an "infant industry," and used a very light regulatory hand. For the purposes of this report, the FCC has made three important rulings.

First, the FCC has ruled that wireless providers can interconnect at tandems, and use the ILEC to ILEC network to originate and terminate wireless calls. The FCC has not required wireless providers to establish FGD trunking, or to enable equal access service for wireless customers. This means that termination of traffic over the shared tandem and FGD trunks to rural company switches is the norm in the wireless industry.

Second, the FCC has not required the wireless providers to obtain carrier identification numbers (CICs). This makes identifying the responsible provider for wireless traffic that transits multiple networks more difficult.

Third, the FCC has defined the local calling area for wireless traffic. For wireless carriers, the "local calling area" is defined as the MTA (metropolitan trading area). The boundaries of MTA are set by the census, and do not match those of exchanges, telephone service areas or even states. Wireless calls that originate and terminate inside the MTA are treated as local for the purposes of interconnection.²⁹ Wireless calls traveling between MTAs are considered long distance, and access charges apply.

²⁸ The majority of all wireless to tandem links are SS7 capable.

²⁹ The point of origination is deemed to be the cell site serving the customer at the time the call is initiated.

Appendix B

Glossary

CIC: Carrier Identification Code: used to route and bill calls in the public switched telephone network. CICs are four-digit codes in the format XXXX, where X is any digit from 0 through 9. Separate CIC pools are maintained for Feature Group B (line side) access and Feature Group D (trunk side) access.

CLEC: Competitive Local Exchange Carrier.

CPN: The CPN is a SS7 parameter that should reflect the number of the subscriber line from which a call is placed.

Feature Group X: the trunks interconnecting ILEC central offices and with tandems, or tandems with other tandems, or tandems to POPs, are described in terms of the groups of features on those lines.

- **FGA:** line side interconnection with 7 digit local numbers, not in great use today, but when used is primarily for intraLATA toll service.
- **FGB:** similar to FGA, but with a (higher-quality) trunk-side connection, dialed using a "10XXX" dialing pattern.
- **FGC:** the legacy signaling protocol used by AT&T Long Lines before divestiture and by the RBOCs after divestiture.
- **FGD:** the signaling protocol which enables equal access dialing, using trunk-side interconnection.

Rural Company: Independent (telephone) company: this term has been used to refer to the smaller ILECs--the traditional telephone companies in Washington, other than Qwest and Verizon.

ILEC: Incumbent Local Exchange Carrier: generally, this indicates a traditional telephone company that has, or had, monopoly franchises in the past.

IXC: Interexchange Carrier, or long distance service provider.

MTS: Message Toll Service, a term for long distance service.

MTA: Metropolitan Trading Area: MTAs are geographic areas based on census data. The United States is divided into 51 MTAs. The FCC uses MTA to define the "local calling area" for wireless providers.

OBF: Ordering and Billing Forum: industry trade group that addresses problems and issues related to data format, data requirements and other factors associated with billing.

"Originating Provider" (also "originating carrier"): as used in this report, this means the providers that originate traffic that transits a tandem.

POP: Point of Presence: the location at which an IXC's long distance networks connect with the local provider networks.

SS7: Signaling System Seven (SS7): SS7 is a packet switched network, which sends data that supports call establishment, routing and information exchange functions through a separate ("out of band") network.

"Tandem": A tandem (or Class 4 switch): switches calls between incoming trunks and outgoing trunks that connect to end offices, or to long distance networks.

"Transiting Provider" (also "transiting carrier"): as used in this report, this means the intermediary provider that accepts transiting traffic from originating providers and routes it to terminating providers.

"Terminating Providers": mean the providers--primarily rural companies--that receive and terminate transiting traffic.

APPENDIX C

49-31-109. Definitions. Terms used in §§ 49-31-109 to 49-31-115, inclusive, mean:

- (1) "Interexchange carrier," a telecommunications carrier providing nonlocal telecommunications services;
- (2) "Local telecommunications traffic," any wireline to wireline telecommunications traffic that originates and terminates in the same wireline local calling area or wireline to wireless telecommunications traffic that originates within and is delivered to an actual point of presence established by a wireless service provider in the same wireline local calling area. Local telecommunications traffic also includes any wireless to wireline telecommunications traffic that originates and terminates in the same major trading area as defined in 47 CFR § 24.202(a) as of January 1, 2004;
- (3) "Nonlocal telecommunications traffic," any wireline to wireline telecommunications traffic that originates in one wireline local calling area and terminates in another wireline local calling area and wireline to wireless telecommunications traffic that originates in one wireline local calling area and is delivered to an actual point of presence established by a wireless service provider in another wireline local calling area. Nonlocal telecommunications traffic also includes any wireless to wireline telecommunications traffic that originates in one major trading area and terminates in another major trading area;
- (4) "Originating carrier," a telecommunications carrier whose network or service is used by a customer to originate telecommunications traffic. An originating carrier may be a wireline or wireless carrier transmitting local telecommunications traffic or an interexchange carrier transmitting nonlocal telecommunications traffic;
- (5) "Terminating carrier," a telecommunications carrier upon whose network telecommunications traffic terminates to the called party;
- (6) "Transiting carrier," a telecommunications carrier that does not originate or terminate telecommunications traffic, but either switches or transports traffic, or both, between an originating carrier and a terminating carrier;
- (7) "Transit traffic," telecommunications traffic that an originating carrier has delivered to a transiting carrier or carriers for delivery to a terminating carrier.

Source: SL 2004, ch 284, § 1.

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49-31-110. Local telecommunications traffic signaling information required to be provided by originating carrier to terminating carrier to assess charges. If necessary for the assessment of transport and termination charges pursuant to 47 U.S.C. § 251(b)(5) as of January 1, 2004, an originating carrier of local telecommunications traffic shall, in delivering its traffic, transmit signaling information in accordance with commonly accepted industry standards giving the terminating carrier information that is sufficient to identify, measure, and appropriately charge the originating carrier for services provided in terminating the local telecommunications traffic. If the originating carrier is delivering both local and nonlocal telecommunications traffic, the originating carrier shall separately provide the terminating carrier with accurate and verifiable information, including percentage measurements that enables the terminating carrier to appropriately classify telecommunications traffic as being either local or nonlocal, and interstate or intrastate, and to assess the appropriate applicable transport and termination or access charges. If accurate and verifiable information allowing appropriate classification of the terminated traffic is not provided by the originating carrier, the terminating carrier may classify all unidentified traffic terminated for the originating carrier as nonlocal telecommunications traffic for service billing purposes.

Source: SL 2004, ch 284, § 2.

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49-31-111. Nonlocal telecommunications traffic signaling information required to be provided by originating carrier to terminating carrier to assess charges. An originating carrier of nonlocal telecommunications traffic shall, in delivering its traffic, transmit signaling information in accordance with commonly accepted industry standards giving the terminating carrier information that is sufficient to identify, measure, and appropriately charge the originating carrier for services provided in terminating the nonlocal telecommunications traffic. *If the originating carrier is delivering both intrastate and interstate nonlocal telecommunications traffic, the originating carrier shall separately provide the terminating carrier with accurate information including verifiable percentage measurements that enables the terminating carrier to appropriately classify nonlocal telecommunications traffic as being either interstate or intrastate, and to assess the appropriate applicable access charges. If accurate and verifiable information allowing appropriate classification of the telecommunications traffic is not provided by the originating carrier, the terminating carrier may classify all unidentified nonlocal telecommunications traffic terminated for the originating carrier as intrastate telecommunications traffic for service billing purposes.*

Source: SL 2004, ch 284, § 3.

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49-31-112. Transiting carrier required to deliver signaling information with telecommunications traffic--Liability for failure to deliver. A transiting carrier shall deliver telecommunications traffic to the terminating carrier by means of facilities and signaling protocols that enable the terminating carrier to receive from the originating carrier all signaling information, as required by §§ 49-31-110 and 49-31-111, the originating carrier transmits with its telecommunications traffic. If any transiting carrier fails to deliver telecommunications traffic to another transiting carrier or to the terminating carrier with all of the signaling information transmitted by the originating carrier as required by §§ 49-31-110 and 49-31-111, and this results in telecommunications traffic that is not identifiable and therefore not billable by the terminating carrier to the appropriate originating carrier, the transiting carrier is liable to the terminating carrier for the transport and termination or access compensation relating to the traffic that cannot be identified and billed to the appropriate originating carrier.

Source: SL 2004, ch 284, § 4.

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49-31-113. Transit traffic or billing records to be provided by transiting carrier. Upon the request of a terminating carrier, the transiting carrier shall provide detailed transit traffic records or billing records related to the telecommunications traffic delivered to the terminating carrier.

Source: SL 2004, ch 284, § 5.

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49-31-114. Complaint procedure--Provisional remedies. Any telecommunications carrier damaged by noncompliance with the provisions of §§ 49-31-109 to 49-31-115, inclusive, may file a complaint with the commission pursuant to the provisions of chapter 49-13. If a complaint is filed seeking enforcement of any of the provisions in §§ 49-31-109 to 49-31-115, inclusive, the commission is authorized to order interim payments to the damaged party or other appropriate relief pending the final resolution of the complaint proceeding.

Source: SL 2004, ch 284, § 6.

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49-31-115. Promulgation of rules. The commission may promulgate rules pursuant to chapter 1-26 for the purpose of implementing the provisions of §§ 49-31-109 to 49-31-115, inclusive. The rules may address:

- (1) Defining the terms used in §§ 49-31-109 to 49-31-115, inclusive;
- (2) Signaling information requirements;
- (3) Carrier information necessary to appropriately classify telecommunications traffic;
- (4) The handling of complaints filed by carriers under §§ 49-31-109 to 49-31-115, inclusive; and
- (5) Transit traffic records.

Source: SL 2004, ch 284, § 7.

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Appendix D

QWEST RECOMMENDATION

Should the Commission decide to open a proceeding requesting "Phantom Traffic," Qwest suggests consideration of the following:

1. Adoption of requirements that wireless carriers, competitive local exchange carriers and incumbent local exchange carriers must negotiate agreements to govern the exchange of traffic and the business relationship between the Parties even when a transit provider is involved in the calls.
2. Adoption of "truth-in-billing" standards for the population of identifying fields for carrier and jurisdiction by the originating carrier.
3. Adoption of processes for challenging suspect interexchange traffic and penalizing non-compliant originating carriers.
4. Adoption of a default standard of billing the originating carrier for its inaccurately labeled traffic.
5. Adoption of specific guidelines and timelines for investigating and resolving intercarrier traffic labeling disputes.

Notes:

This recommendation differs from the Docket recommendation primarily in two ways. The first is the focus on carrier-to-carrier negotiations. A concern was expressed that carrier-to-carrier negotiations would be extremely time consuming and expensive for the smaller carriers with limited resources and that such smaller carriers would have little negotiating power.

The second difference is that the Qwest recommendation focuses on the originating carrier more extensively than the Docket recommendation. The Docket recommendation calls for the tandem provider to play an important role in the process. It should be noted that both Qwest and Verizon expressed concern over what role the tandem provider would need to play in resolving Phantom Traffic issues.

Thu Feb 10 15:30:50 2011

1

From todd@nccom.com Wed Mar 04 08:16:31 2009
Date: Wed, 4 Mar 2009 08:15:00 -0800
From: Todd Lesser <todd@nccom.com>
To: "Nodland, Jeff" <jeff.nodland@qwest.com>
Cc: "Donahue, Nancy" <Nancy.Donahue@qwest.com>
Subject: Re: (fwd) Re: Qwest Dispute

I don't have a problem with it in theory but it would be important for me to see the language. Unless we come up with a global solution (us upgrading to SS7 and coming to a settlement on past debt), we plan to file a complaint with the Arizona Commission over those rates. We feel they are unjust. No other carrier in the state, including Verizon, charges for those records. We consider this part of tandem functionality and should be bundled in tandem transport fee it charges other carriers to transport the calls through the tandem. It would be different if Qwest would agree to allow us to use another tandem provider that doesn't charge us to subten off of but Qwest doesn't want to do this.

If you need time to investigate this and want to extend the window of arbitration until when Nancy gets back, please let me know.

Once again, I prefer a global solution to all these issues.

On 2009-03-04 at 08:16, Nodland, Jeff (jeff.nodland@qwest.com) wrote:

> Todd:
>
>
>
> Nancy and I wanted to touch base with you again, as she is preparing to
> go on vacation and we really need to see if we are closing these out or
> going to arbitration. On #4, we can confirm that the rate Qwest would
> propose for both Cat 11 JPSA records and transit records is the
> TELRIC-based (and ACC approved) \$0.001827. Are you okay with my
> proposal on #3? Finally, we need to see what we can do on OR and WA,
> what do you think of my proposal? please let us know today, if at all
> possible, so that we can get this stuff closed. It seems like we are
> so close, we would like to finish. Thanks very much.

> Jeff

> Jeffrey T. Nodland
> 303-383-6657

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> original message.

> From: Nodland, Jeff
> Sent: Monday, March 02, 2009 6:45 PM
> To: Todd Lesser
> Cc: Donahue, Nancy
> Subject: RE: (fwd) Re: Qwest Dispute

Thu Feb 10 15:24:31 2011

1

From **todd@nccom.com** Mon Aug 24 07:45:01 2009

Date: Mon, 24 Aug 2009 07:44:13 -0700

From: Todd Lesser <todd@nccom.com>

To: "Nodland, Jeff" <jeff.nodland@qwest.com>

Cc: "Donahue, Nancy" <Nancy.Donahue@qwest.com>,
'Chris Reichman' <chris_reichman@yahoo.com>,
'Joseph Dicks' <jdicks@dicks-workmanlaw.com>

Subject: Tandem fees

I have been in contact with another tandem provider in Arizona. If the 79% figure is correct, I can have 79% of the traffic switched through another tandem. This other carrier doesn't charge for the circuits nor do they charge for the records. They make their money by charging the terminating carrier tandem switching fees.

As I stated in my previous e-mail, I would assume that Qwest makes a lot of money off of tandem switching fees from our traffic and wouldn't want this traffic going through another carrier.

Is there anything you can do on these circuit costs and record fees?

Thu Feb 10 15:29:32 2011

1

From todd@nccom.com Thu Aug 27 14:38:54 2009
Date: Thu, 27 Aug 2009 14:38:07 -0700
From: Todd Lesser <todd@nccom.com>
To: "Nodland, Jeff" <jeff.nodland@qwest.com>
Cc: "Donahue, Nancy" <Nancy.Donahue@qwest.com>,
Chris Reichman <chris_reichman@yahoo.com>,
"Joseph G. Dicks" <jdicks@dicks-workmanlaw.com>
Subject: Re: Tandem fees

Correct me if I am wrong. The problem is how I understand it is some carriers are violating the interconnection agreement by routing long distance IXC traffic over the local interconnection trunks instead of terminating the traffic over IXC trunk groups. Qwest uses its SS7 tools to catch this violation.

I did come up with one solution. We have outbound MF IXC trunks groups with Qwest. Qwest clearly has the ability to track calls on those trunk groups. They currently bill us for mileage and whether the call is interstate or intrastate.

We should simply agree to outpulse the ANI of each call that is made. This would then provide the same protections that Qwest has with SS7.

On a separate issue, I have been in discussions with an alternative tandem provider in Arizona. They have agreed to have us subtend their tandem instead of the Qwest tandem. They are not billing us for the circuits nor for the call records.

This leaves two issues up in the air Qwest traffic and transit traffic.

I know Qwest makes a lot of money by billing IXC's, CLEC's and wireless carriers for traffic that transits the Qwest network and then terminates at our switch. Before I go down that path, I want to make sure that Qwest wants me to go in that direction. If I stay with Qwest, I would like Qwest to continue to not bill us for circuits and stop billing us for the call records.

On 2009-08-27 at 14:12, Nodland, Jeff (jeff.nodland@qwest.com) wrote:

> Have you been able to think of any proposals? Thanks.

>

> Jeff

>

>

> Jeffrey T. Nodland

> 303-383-6657

>

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>

>

>

>

> -----Original Message-----

> From: Todd Lesser [mailto:todd@nccom.com]

> Sent: Monday, August 24, 2009 9:45 AM

> To: Nodland, Jeff

> Subject: Re: Tandem fees

>

> Thank you for telling me your concerns. Let me think if over. I may

> have a few other solutions.

Thu Feb 10 15:30:19 2011

1

From todd@nccom.com Mon May 03 14:23:07 2010

Date: Mon, 3 May 2010 14:23:02 -0700

From: Todd Lesser <todd@nccom.com>

To: "Nodland, Jeff" <jeff.nodland@qwest.com>

Cc: "Batz, Nancy" <Nancy.Batz@qwest.com>,

"jdicks@dicks-workmanlaw.com" <jdicks@dicks-workmanlaw.com>,

"Donahue, Nancy" <Nancy.Donahue@qwest.com>,

"Anderl, Lisa" <Lisa.Anderl@qwest.com>,

Chris Reichman <chris_reichman@yahoo.com>,

Anthony McNamer <anthony@mcnamerlaw.com>

Subject: Re: North County Final ICAs (AZ, OR & WA)

I may have a suggestion that may address a lot of your concerns. We have once again been approached by a third party tandem provider to have our central office subtend their tandem instead of the Qwest tandem. They would connect up to you by SS7 but still connect up to us by MF. You therefore should be able to use all your programs that you wrote to monitor with SS7.

Do you want to pursue this line of thought?

Thu Feb 10 15:34:20 2011

1

From **todd@nccom.com** Thu Dec 04 15:11:39 2008
Date: Thu, 4 Dec 2008 15:10:42 -0800
From: Todd Lesser <todd@nccom.com>
To: "Nodland, Jeff" <jeff.nodland@qwest.com>
Cc: "Donahue, Nancy" <Nancy.Donahue@qwest.com>
Subject: Re: North County Communications Corporation ("North County")

Wait a second. I have wanted to negotiate off the current agreement since day one. Qwest has refused.

We are more than willing to negotiate with Qwest but requiring us to spent millions of dollars on upgrading to SS7 is not going to happen. Your whole agreement you sent is based upon SS7. Since we are not SS7, it is inappropriate to use that as the model template to work off of. Nevertheless, I am willing to discuss this during this 30 day window. Requiring us to purchase new switches would be no different than if I requested Qwest to purchase new switches to provide us interconnection using VOIP.

Our existing agreement has been approved by the jurisdictions we are in.

I am more than willing to negotiate with Qwest and extend the amount of time you can request arbitration by 30 days. I simply can agree to your conditions of what happens during those thirty days without legal approval. Something I can't get tonight.

It would really simplify the situation if you sent us an agreement that doesn't require us to build a completely new network.

On 2008-12-04 at 16:59, Nodland, Jeff (jeff.nodland@qwest.com) wrote:

> Mr. Lesser:

>

> Qwest has a template agreement that has been litigated in many venues and incorporates commission required language in many instances. North County has been in possession of the template for months and has had ample opportunity to review it. Negotiating from another agreement is not appropriate at this late juncture.

>

> You stated that you were amenable to a thirty day period, but now you appear to be backtracking. I will simply reiterate that Qwest is prepared to file arbitrations in all three states tomorrow absent that extension.

>

> As to your question, I did answer that this is a topic for negotiations, but SS7 is the industry standard and MF is not appropriate. If that is North County's sole issue, we can present it as such, but I am sorry that no further delay is acceptable. Unless we have a firm agreement on a schedule, Qwest will exercise its rights under the Act. I do hope that we can negotiate, but we are out of time.

>

> Jeff Nodland

> Jeffrey T. Nodland

> 303-683-8397

>

> ----- Original Message -----

> From: Todd Lesser <todd@nccom.com>

> To: Nodland, Jeff

> Cc: Donahue, Nancy

> Sent: Thu Dec 04 15:46:53 2008

> Subject: Re: North County Communications Corporation ("North County")

>

> It is a little late to get you an answer today. Our attorney is on the east coast.

>

> I have a better idea. If I send Qwest an agreement, would you be willing to meet the same schedule below.

>

> I see nothing in the Telecom Act that requires us to use your agreement at the template.

Thu Feb 10 15:34:00 2011

1

From todd@nccom.com Thu Dec 04 14:47:50 2008
Date: Thu, 4 Dec 2008 14:46:53 -0800
From: Todd Lesser <todd@nccom.com>
To: "Nodland, Jeff" <jeff.nodland@qwest.com>
Cc: "Donahue, Nancy" <Nancy.Donahue@qwest.com>
Subject: Re: North County Communications Corporation ("North County")

It is a little late to get you an answer today. Our attorney is on the east coast.

I have a better idea. If I send Qwest an agreement, would you be willing to meet the same schedule below.

I see nothing in the Telecom Act that requires us to use your agreement at the template.

In addition, could you please respond to my December 2nd, 2008 e-mail. It sounds to me like this could be a show stopper.

On 2008-12-04 at 16:08, Nodland, Jeff (jeff.nodland@qwest.com) wrote:

> Mr. Lesser:
>
> Here is what I would offer as a negotiation schedule, taking into
> account the holidays and end of the year:
>
> North County to provide redlined version of Qwest's template agreement
> by December 19
>
> Qwest and North County begin negotiations the week of January 5, with at
> least two meetings per week (more if needed), as schedule jointly by the
> parties
>
> Negotiation period ends on January 23, 2009, with the parties preparing
> issues lists for arbitration
>
> Petition for arbitration is filed by January 30, 2009.
>
> I need you to email back today whether this is acceptable. if it is, I
> will prepare an extension letter, extending the arbitration window to
> January 30, 2009. I will need you to immediately execute the letter and
> fax it back to me. I hope that this works for us to avoid arbitration,
> which would prevent Qwest filing for arbitration tomorrow. Thanks very
> much.
>
> Jeff Nodland
>
>
> Jeffrey T. Nodland
> 303-383-6657
>
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>
> -----Original Message-----

Thu Feb 10 15:55:16 2011

1

From todd@nccom.com Wed Nov 18 16:12:08 2009

Date: Wed, 18 Nov 2009 16:10:38 -0800

From: Todd Lesser <todd@nccom.com>

To: "Nodland, Jeff" <jeff.nodland@qwest.com>

Cc: "Joseph G. Dicks" <jdicks@dicks-workmanlaw.com>,
"Donahue, Nancy" <Nancy.Donahue@qwest.com>,
"Batz, Nancy" <Nancy.Batz@qwest.com>,
"Van Meter, Russ" <Russ.VanMeter@qwest.com>,
"Anderl, Lisa" <Lisa.Anderl@qwest.com>

Subject: Re: North County Final ICAs (AZ, OR & WA)

I want to step in and give my input. NCC is a small company. We have always felt that we should have worked off the existing interconnection agreement. For the purpose of compromise, we agreed to try to reach an agreement on Section 7. If we were unable to agree on something as fundamental as Section 7, there was no point at spending all the legal fees to review all rest of the document.

While there have been some new terms that have come up over the last ten years, there are not 300 pages of new terms that justify a completely new document. Especially since there is a change of law provision and we just amended the contract a short time ago to implement those changes. Qwest created the first document and has clearly created ever revision since them. I know Qwest has a redline version of the documents and didn't just start from scratch. It would have been helpful if that document had been provided as requested.

These are very technical documents. We spent the money once having Qwest documents reviewed, we shouldn't have had to completely re-invent the wheel. By using your new document as the base, the cost of negotiations and legal review fees has completely shifted to NCC. Qwest needs to cut us some slack.

Once we reach an agreement on a specific issue, I move to the next one. I think that is the fair thing to do. I could have simply stuck to the position that Qwest should show us everything wrong with the existing agreement.

It has also been a great source of frustration on my part that Qwest has not had the decision makers on these calls nor the people with the technical expertise to answer all the questions. We have spent a considerable amount of time and money on issues because of this.

If we have to proceed with arbitration, everything is going to be on the table. I don't think that is going to be the case, but if we end up there, I don't believe it is fair to say any issues we bring up are new arguments. These documents are over 300 pages each and I need to make sure there are no "gotcha" language in there that would totally change the way we have been operating all these years. This happened to a company we purchased when Verizon changed the interconnection agreement.

This process could have been done a lot quicker if Qwest had simply told us what was wrong with the existing agreement, why they wanted each section changed and/or what legal basis there was to change each provision. If Qwest wants this to move faster, they should share with use this information. I know Qwest had internal meetings about every sentence in this agreement.

There are several problems with the all important section 7. For example, I have some concerns about the 400,000 minutes in Arizona per T1. Is this average decided by lata, by switch, by the entire state? I am trying to work with Qwest to address your concerns but I have never seen this before and I don't know why this is even in there.

While I believe that we will be able to work these issues out, given the length and complexity of the agreements and all that is at stake, it is not unreasonable to agree to deal with the specifics after my return from my trip for the holidays.

If you can have all the decision makers on a call, we can have one final call and rap it up.

On 2009-11-18 at 14:07, Nodland, Jeff (jeff.nodland@qwest.com) wrote:

> Joe:

>

>

> I greatly appreciate your efforts on this. Thanks for your understanding and work.

>

>

> Jeff

>

>

> Jeffrey T. Nodland
> 303-383-6657

>

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>

>

> From: Joseph G. Dicks [mailto:jdicks@dicks-workmanlaw.com]
> Sent: Wednesday, November 18, 2009 2:06 PM
> To: Nodland, Jeff; Donahue, Nancy; 'Todd Lesser'
> Cc: Batz, Nancy; Van Meter, Russ; Anderl, Lisa
> Subject: RE: North County Final ICAs (AZ, OR & WA)

>

>

> No need to apologize, Jeff. I understand your desire to wrap this up. I will try to meet with the client tonight, as he leaves for the holiday break tomorrow. It's just a big crunch-time for me on a number of other cases. Bad timing, but I will do what I can.

>

>

> Joe

>

>

> Joseph G. Dicks, Esq.

>

> DICKS & WORKMAN

>

> Attorneys at Law

>

> 750 B Street, Suite 2720

>

> San Diego, CA 92101

>

> (619) 685-6800

>

> (619) 557-2735 facsimile

>

> Email: jdicks@dicks-workmanlaw.com

Thu Feb 10 20:17:47 2011

1

From todd@nccom.com Wed Feb 24 14:56:03 2010

Date: Wed, 24 Feb 2010 14:55:46 -0800

From: Todd Lesser <todd@nccom.com>

To: "Nodland, Jeff" <jeff.nodland@qwest.com>

Cc: "Batz, Nancy" <Nancy.Batz@qwest.com>, ""jdicks@dicks-workmanlaw.com"" <jdicks@dicks-workmanlaw.com>,"

"Donahue, Nancy" <Nancy.Donahue@qwest.com>,"

"Anderl, Lisa" <Lisa.Anderl@qwest.com>,"

Chris Reichman <chris_reichman@yahoo.com>

Subject: Re: North County Final ICAs (AZ, OR & WA)

I was up front on my concerns from day one. Qwest is proposing a new agreement and I simply wanted Qwest to tell me the material changes in the way our two companies would deal with each other in the future if we agreed to this agreement. Our existing agreement is time tested and has all the change in law provisions. I don't feel it is fair to make it my responsibility to look through the document and attempt to find them myself. It is an impossible task. It isn't as simple as looking at the words. I need to know how Qwest is going to interpret them. I am sure that one of the Qwest attorneys was asked to engage in the following exercise. How many different meanings does this statement have? "A pretty little girl[s] school."

Even without the potential interpretation issues, this was such a difficult task, that when I asked Qwest to say what was wrong with the existing agreement they were unable to do it. I am not sure how you can expect me to do something that Qwest was unwilling and/or unable to do.

We recently upgraded our existing agreement to comply with all the change of laws. As you recall, our existing agreement was proposed by Qwest years ago. We didn't modify a single word. Qwest didn't just change their model agreement for the heck of it, there had to be a reason. It shouldn't have to be a guessing game on my part. I bet there are red line tracking changes since day one. There had to be some motivation to change words that were not simply change of law provisions or a new name for an existing product. As time passed, we kept finding out what some of the motivation was. I wish Qwest had been more forthcoming at the beginning. We have always had a good working relationship and Qwest should have trusted me.

There is a great amount of risk in signing a new agreement in Arizona without Qwest stating the material changes - especially as to those provisions which could increase NCC's costs. We are already working extremely small margins.

I have even held off on billing reciprocal compensation until we work this out.

I know Qwest has a dispute on the prior reciprocal compensation amounts. I also have a dispute based upon the amount of customers being serviced by MF carriers was greatly exaggerated in the Phoenix LATA and totally non-existent in the Phoenix LATA. The percentage of billing was therefore totally off.

Maybe we can come up with a package deal to make this all go away. I am open to suggestions. My previous offer to settle this in Arizona still stands.

On 2010-02-24 at 15:05, Nodland, Jeff (jeff.nodland@qwest.com) wrote:

> Todd:

>

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Integrated Access

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Qwest iQ[®] Integrated Access

The Power Of High-Speed Digital Transport and Dynamically Allocated Bandwidth on the Same Circuit

Qwest iQ[®] Integrated Access provides a simple solution that combines both voice and data over the same circuit. Additional features are integrated into the product to assist in running your business more efficiently. Competitively priced, Qwest iQ[®] Integrated Access allows you to transition from standard telephone service to Voice over Internet Protocol (VoIP) without the need to replace your current telephony equipment. With dynamically allocated voice bandwidth on demand, you have the opportunity to build a solid, stable communications foundation that will grow with your expanding business needs and provide the competitive edge to succeed in the marketplace.

Description

Qwest iQ[®] Integrated Access is provided over a T-1 circuit that can be used to transfer data, access the Internet and have real-time, two-way voice calls via IP. It is designed to meet the voice and data needs of single and multi-location businesses. You can make off-net local toll, domestic long distance and international calls to end users on the public switched telephone network (PSTN) as a low-cost option. Also available are popular calling features like caller ID, voice mail and e-mail. Additionally, calls between users on the Qwest[®] VoIP network are at no additional charge, which is a powerful feature that delivers savings on calls between your locations and your business partners. Qwest delivers all of this as a robust nationwide offering, providing your

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[GO](#)

business with the tools and support for all of your communications needs.

Features

- Consolidation of multiple traffic types over the same circuit.
- Supports data speeds of 1.5 Mbps and 3.0 Mbps.
- Up to 46 Qwest iQ® Integrated Access voice lines available per T-1 circuit with compression.
- Real-time dynamically allocated bandwidth between voice and data channels.
- Unlimited local and on-net calling.
- Customizable feature configurations to meet your daily needs.
- Termination to existing PBX or key system equipment.
- Selectable voice mail capabilities.
- Customer portal to manage hunt-group feature changes.

Benefits

- Simple solution—Local, long distance, international voice, and data services from one provider.
- Cost savings—Single and multiple business locations benefit from this technology and reduce overall communication costs. By leveraging your current investments in existing private branch exchange (PBX) and key system equipment, you have the flexibility to spend in other essential areas of your business.
- Pivotal product for advanced technologies—Qwest can provide an integrated solution that meets your specific needs using a flexible IP network. The service also provides a foundation to move your business to higher-end products.
- Increased efficiency—Management of both voice and data telecommunications needs is bundled into one technology.

How It Works

Qwest iQ® Integrated Access uses VoIP technology to provide dynamically allocated bandwidth between voice and data in real time. The offering is an IP-based solution that integrates local and long-distance voice with Internet access on the same circuit. VoIP technology gives customers the advantage of using

the entire circuit for Internet access when phones are not in use. The Qwest technology management team has built thresholds within the product to ensure high IP quality, regardless of the number of voice lines in use.

Why Buy From Qwest?

- Network technology—Tier 1 carrier-class network.
- Breadth of the product—Qwest has a nationwide footprint to meet all your business needs, wherever you are.
- Reliable account team service—Qwest has an extensive infrastructure and abundant support/resources to provide a stable solution.
- Extensive product integration—Qwest's full portfolio of services can be your single-source solution.
- Qwest Nationwide IP Network—Service is carried over Qwest's nationwide IP network. As a frontrunner in VoIP provisioning, Qwest will prepare you to move into the future.

Other Products Available From Qwest

In addition to Qwest iQ® Integrated Access, Qwest has an array of products to meet your needs, including the following:

- Managed Firewall—VPN—Uses best-in-breed encryption and security solutions for your IP traffic.
- Qwest iQ® Managed VoIP—The next step within the VoIP product family—this service increases bandwidth and adds features to your current configuration through handsets and a customer portal.
- Internet Port—Provides a full port for public IP traffic. Service is available in a wide range of bandwidths to accommodate a diverse range of requirements.
- Private Port—Provides a fully-secured multi-protocol label switching (MPLS) port with advanced queuing methods to prioritize your voice, video and any other data applications. Prioritization is managed by selecting the template that works best for the application from 13 quality of service (QoS) templates.

Qwest iQ® Integrated Access is available to business customers in select areas across the continental U.S. Minimum one-year term commitment required. Early termination charges may apply. Monthly charge based on configuration selected. Long-distance

charges are additional. Additional equipment may be required.
Other restrictions may apply. Call for availability and complete
details.

[Contact a Rep](#)

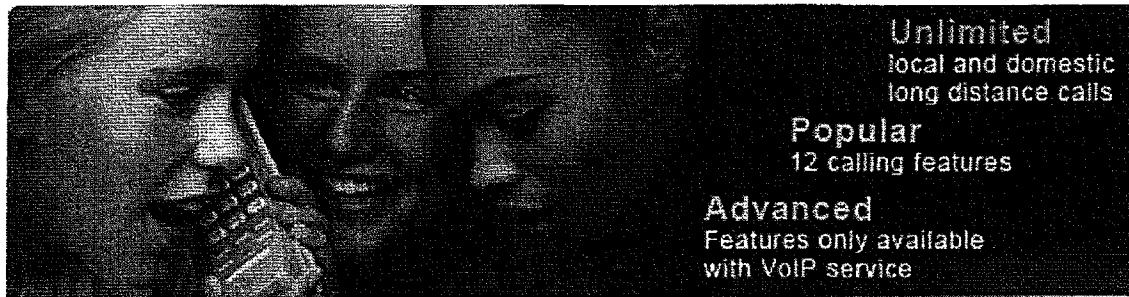
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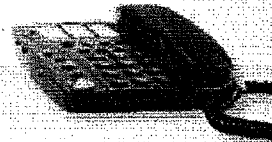
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Qwest® Broadband Phone Service: With approved credit. Service not available in all areas. Prices do not include taxes, incremental charges and surcharges. Some features incompatible with others. Subject to applicable restrictions and service agreements. **Qwest® Broadband Phone Service: Service (including 911 calling) will not function during a power outage and may not function during network congestion.** Use of 911 service permitted only at a Qwest-approved service address, otherwise 911 calls will not route directly to a 911 operator. **Customers should secure an alternative to 911 service.** Contact Qwest for details.

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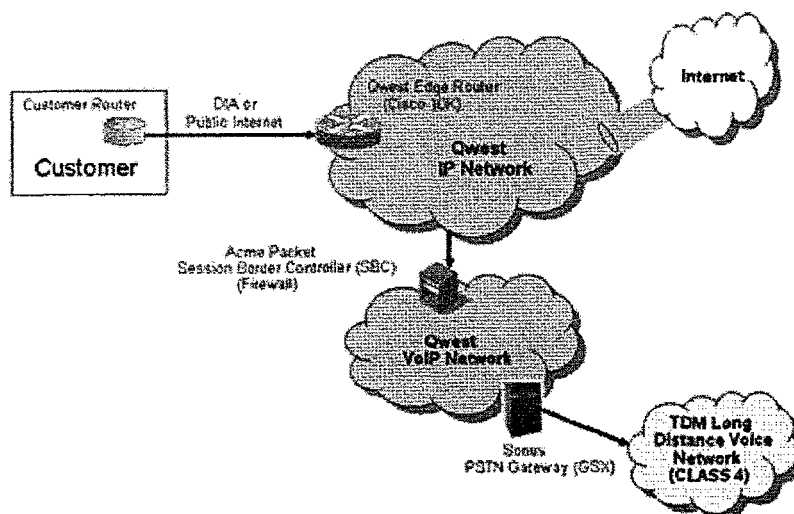
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IP Voice 1+ Termination

Your Ideal IP Voice Termination Provider

Qwest's expertise in both broadband and telephony make Qwest an ideal company to provide you with Internet Protocol (IP) Voice 1+ Termination services. Qwest's IP Voice 1+ Termination service is a cost-effective way for you to terminate telephone calls to over 250 countries while taking advantage of IP technology. Qwest IP Voice 1+ Termination service provides an IP-based connection for voice traffic exchange with other service providers. Once connected to Qwest's OC-192 network, with over 1,700 access points and over 16,000 routes, you will benefit from soft switch technology that achieves quality comparable to the public switched telephone network (PSTN).

Network Architecture



How It Works

Traditionally, long distance (LD) providers convert IP voice traffic to time division multiplex (TDM) and hand the traffic to their LD provider for termination. In many instances, the LD provider then converts that traffic back to IP to traverse their LD network, converts the traffic once again to TDM and terminates the call. With Qwest IP Voice 1+ Termination, you can hand your IP voice traffic directly to Qwest. Qwest will transport the IP voice call streams across its OC-192 MPLS network and terminate the calls to the PSTN. No longer will you need to purchase or manage the gateways necessary to make these conversions – Qwest does it all! First, your IP voice traffic traverses the Qwest IP transport to the Session Border Controller (SBC).

The SBC provides the necessary firewall protection to give your traffic an additional level of protection on Qwest's IP voice infrastructure. Qwest's media gateways terminate your IP voice calls to the TDM circuit-switched network. Calls are terminated either domestically or internationally to the PSTN via TDM.

Features

- OCN-based and class-type pricing structures offer facilities-based providers significant value opportunity through your choice of billing granularity
 - OCN-based pricing allows facilities-based providers to better manage their network

- routing costs
 - Bill reconciliation is easier with a finer level of detail on both the invoice summary and monthly call detail records (CDRs)
- Support 8XX outbound
- Comprehensive North American LATA coverage

Benefits

Savings

Reduce your capital expenditures by using a scalable single point of access with Qwest Dedicated Internet Access, or by delivering traffic across the public Internet instead of using costly TDM trunks and managing multiple IP/TDM gateways.

Quality and Security

- With dedicated internet access, Qwest's IP voice infrastructure provides quality and service levels comparable to the PSTN
- 24x7x365 network monitoring and management enables real-time troubleshooting while enhancing network uptime
- Advanced network firewall protection using the SBC to provide IP address security and fraud protection

Reach

Qwest can terminate traffic in over 250 countries through both landline and mobile terminations.

Ease of Use

Qwest can be your single provider for both traditional long distance as well as IP Voice 1+ Termination.

Service Technology

- **Connection types:** Connect to Qwest's network using a DS-1 to OC-48 dedicated data circuit. Providers collocated in a Qwest point of presence (PoP) location may connect via an Ethernet cross-connect. Service providers may also connect via the public Internet*
- **Protocol:** SIP
- **Codec:** G.711, ulaw, G.711 alaw, G.729A and G.729AB
- **FAX:** Standard fax and T.38 with G.711 or G.729
- **RFC2833 and SIP info:** Supported for G.729 only

How to Get Started

For more information on IP Voice 1+ Termination service, call a [Qwest Sales Representative](#).

*Qwest does not provide service level agreements or quality of service guarantees for traffic connected across the public Internet.

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Thu Feb 10 20:28:23 2011

1

From todd@nccom.com Thu Jan 20 14:58:33 2011

Date: Thu, 20 Jan 2011 14:58:32 -0800

From: Todd Lesser <todd@nccom.com>

To: "Williams, Timothy J (Tim)" <tjwilliams@alcatel-lucent.com>

Subject: Re: switch question

Our project is coming close to completion. Although, I had a question about the Lucent switches.

Someone at Qwest recently told me that the Lucent #4ESS and #5ESS don't have the ability to provide CDR (Call Detail Recording) when trunks between two switches are configured as MF and not SS7. They said they can only do peg counts on the number of calls. They can't tell how many minutes a call was or what number was dialed. I have never heard of a switch not having this basic capability.

Second, I was also told that two switches can't send ANI to each other if the switches are configured with MF trunks.

Are either of these things accurate?

Thank you

Begin forwarded message:

From: "Navone, Thomas J (Thomas)" <thomas.navone@alcatel-lucent.com>
Date: January 22, 2011 09:10:23 PST
To: Todd Lesser <todd@nccom.com>
Cc: "Williams, Timothy J (Tim)" <tim.j.williams@alcatel-lucent.com>
Subject: RE: switch question

Good Morning Todd -

My name is Tom Navone and as Tim mentioned below I will be supporting California from an Alcatel-Lucent Sales perspective. I'm based out of Irvine, California.

Tim received an answer from one of our Switch Engineers and the information is below:

The statements below are false pertaining to the 5ESS Switch. I can't speak to the 4ESS but I doubt it is true in that case either. LNP feature SFID 346 - NP-APPEND BAF MOD 164 W/CHARGEABLE ACCOUNT NUMBER TO CNA RECORD (99-5E-7304)

3.4.75 NP-APPEND BAF MOD 164 W/CHARGEABLE ACCOUNT NUMBER TO CNA RECORD (99-5E-7304)

3.4.75.1 Description

The NP - Append Mod 164 with Chargeable Account Number to CNA AMA Record feature (99-5E-7304) was developed in two separate phases.

In phase 1, all CNA BAF AMA CC720 base records populate Table 13 and 14 of Structure Code 0625 using the following:

With OFID 719 inactive, the following will be recorded:

- *Record the SS7 CHG or MF ANI if received.

- *Record SS7 CPN if the SS7 CHG or MF ANI are not available and the SS7 CPN was received.

- *Record the Trunk Group BN if the SS7 CHG or MF ANI and the SS7 CPN are not available and the Trunk Group BN was received.

With OFID 719 active, the following will be recorded:

- *Record Trunk Group BN populated.

In phase 2, the switch provides a recent changeable parameter on a trunk group basis, an option for recording of a Chargeable Account Number in an appended BAF Module 164 for CNA records. If the CNA Module 164 Option is set to YES on a trunk group, and all other conditions for recording a CNA record are met, then EBAF Module 164 is appended and populated as follows:

- *Record the SS7 RN if the call has been forwarded two or more times and the RN is received.

- *Record the SS7 OCN if the call has been forwarded once and the OCN is received and the RN is unavailable.

- *Record the SS7 CPN if received and the SS7 RN and SS7 OCN are unavailable.

- *Record the SS7 CHG or MF ANI if received and the SS7 RN, SS7 OCN, and SS7 CPN are unavailable.

If none of the SS7 parameters are received, then no module 164 will be appended to the CNA AMA SC 0625.

In phase 2, the base CNA BAF AMA CC720 base records will populate tables 13 and 14 of Structure Code 0625 using the following:

With OFID 719 inactive, the following will be recorded:

- *Record the SS7 CHG or MF ANI if received.

- *Record the SS7 CPN if received and SS7 CHG or MF ANI are unavailable.

With OFID 719 active, the following will be recorded:

- *Record Trunk Group BN if populated.

If you have any additional questions please contact me at any time.

I look forward to working with you.

Thanks!

TJN

Tom Navone
Alcatel-Lucent
Sales Representative
Mobile - 714-323-7771
thomas.navone@alcatel-lucent.com